

IN THE COURT OF THE TRANSPORT TRIBUNAL

TRANSPORT ACT, 1947, AS AMENDED BY TRANSPORT ACT, 1953

IN THE MATTER OF THE APPLICATION OF THE
BRITISH TRANSPORT COMMISSION (1954 No. 3)TO CONFIRM THE
BRITISH TRANSPORT COMMISSION
(PASSENGER) CHARGES
SCHEME, 1954

THURSDAY, 8TH JULY, 1954

FOURTEENTH DAY

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PROCEEDINGS OF THE TRANSPORT TRIBUNAL

THURSDAY, 8th JULY, 1954

PRESENT:

HUBERT HULL, Esq., C.B.E. (*President*)

A. E. SEWELL, Esq.

J. C. POOLE, Esq., C.B.E., M.C.

Mr. HAROLD I. WILLIS, Q.C., Mr. E. S. FAY and Mr. KENNETH POTTER (instructed by Mr. M. H. B. Gilmour, Chief Legal Adviser to the British Transport Commission) appeared on behalf of the British Transport Commission.

Mr. GEOFFREY LAWRENCE, Q.C., Mr. LEON MACLAREN and Mr. GEORGE MERCER (instructed by Mr. J. G. Barr) appeared on behalf of the London County Council.

Mr. JOHN ELTON (instructed by Mr. E. R. Farr, Town Clerk) appeared on behalf of Barking Borough Council.

Mr. JOHN ELTON (instructed by Mr. Keith Lauder, Town Clerk) appeared on behalf of Dagenham Borough Council.

Mr. JOHN ELTON (instructed by Mr. J. Twinn, Town Clerk) appeared on behalf of Romford Borough Council.

Mr. JOHN ELTON (instructed by Mr. A. E. Poole, Clerk of the Council) appeared on behalf of Thurrock Urban District Council.

Mr. JOHN ELTON (instructed by Mr. E. R. Farr) appeared on behalf of the South Essex Traffic Advisory Committee.

Mr. G. R. ROUGHER and Mr. JOHN R. PICKERING (instructed by Mr. Archibald Glen, Town Clerk) appeared on behalf of The Mayor, Aldermen and Burgesses of the County Borough of Southend-on-Sea.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. G. A. Blakeley, Town Clerk) appeared on behalf of Walthamstow Borough Council.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. R. H. Buckley, Town Clerk) appeared on behalf of the County Borough of East Ham.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. K. F. B. Nicholls, Town Clerk) appeared on behalf of Ilford Borough Council.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. G. E. Smith, Town Clerk) appeared on behalf of the County Borough of West Ham.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. D. J. Osborne, Town Clerk) appeared on behalf of Leyton Borough Council.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. A. McCarlie Findlay, Town Clerk) appeared on behalf of Wanstead and Woodford Borough Council.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. J. W. Faulkner, Clerk to the Council) appeared on behalf of the Chigwell Urban District Council.

Mr. GEORGE MERCER (instructed by Messrs Carpenter, Wilson and Smith) appeared on behalf of The London Passengers' Association.

Mr. F. A. RULER (President) represented the Federation of Residents' Associations in the County of Kent.

Mr. J. REID (District Secretary) represented the London (North) District Committee of the Amalgamated Engineering Union.

(*President*): Mr. Lawrence, I think an intimation has been conveyed to you that I should like Mr. Karslake to

go back in the chair so that I might ask him a few questions.

(*Mr. Geoffrey Lawrence*): He is available, Sir.

Mr. HARRY HOWARD KARSLAKE, recalled.

4668. (*President*): Mr. Karslake, I want to ask you a few questions about your LCC 313 series of tables: 313A, 313B and 313C. I think you made it clear yesterday that the calculations made in those tables lead to the result that the passengers travelling now at the 3d. fare may be regarded as divisible between what I will call the short-distance and the longer-distance travellers, in the proportions of 40 per cent. and 60 per cent. I think you made it clear that those calculations related only to the Central Bus Services at ordinary fares?—Yes, to the Central Bus Services originally because there was a complication due to the fact that there were trams, I believe, in 1950; in the 1952 Scheme and the 1953 Scheme the heading is "Central Road Services." Is that the point, Sir?

4669. No. At any rate, it is central buses and central trams.—Central trams have been ignored, Sir.

4670. Central trams have been ignored; so it is central buses?—Yes.

4671. In the LCC 314 series of tables you have applied that percentage of 40 and 60 to all the services?—To all the Central Road Services.

4672. Country buses?—Yes, certainly.

4673. Early morning travel?—Yes.

4674. And all rail travel?—Yes, to all.

4675. I do not want to discuss with you whether that is right or wrong.—No, that is the fact.

4676. Will you now turn to LCC 313A. Yes.

4677. As I understand the results of that calculation—and again I do not want to discuss with you the reasons which have led to it—they are to lead you to the conclusion that of the 449 million passenger journeys—and I will refer to them for shortness as passengers—paying 3d. fares after the Scheme, 45 per cent. were shorter-distance travellers in the sense in which I am using the word. That is right, is it not?—Yes, up to the full effect of the three stages; that is quite correct.

4678. By shorter-distance travellers I mean people travelling up to 1½ miles.—Yes.

4679. The reason for the change from the original proportion (of 50 per cent. attributable to shorter-distance travellers to 45 per cent.) was the impact of the increase of fares?—Yes, because of the cut-back.

4680. Yes; the increase of fares, in other words, had an effect on 20 per cent. of the previous short-distance travellers?—Yes.

4681. That is it; they changed their minds. They either walked, stayed at home or went a shorter distance?—Yes.

4682. That is right, is it not?—That is correct.

4683. So at the end, when the 1950 Scheme came into operation, or rather after its effects had been fully shown, there were 449 million odd passengers at the 3d. journeys?—Yes.

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Mr. HARRY HOWARD KARSLAKE

[Continued]

4684. Divided, according to this table, in these proportions?—Yes.

4685. That is right, is it not?—Yes.

4686. That Scheme came into operation on the 1st October, 1950?—Yes.

4687. And LCC 313A gives the picture of that traffic, according to your view, towards the end of 1950?—That is quite correct, Sir. May I say that precisely the same proportion would have been shown if we had started with just a notional 100 or 100,000.

4688. Yes, but the actual number of passengers you are taking as travelling at that fare in the latter part of 1950 is 449 million?—Yes.

4689. Divided in those proportions?—Yes.

4690. Now will you turn over to LCC 313B. 313B is directed to showing, according to the same kind of calculations, what was the effect of the 1952 Scheme?—Yes.

4691. That is right, is it not?—Yes.

4692. That Scheme came into operation, so far as the London Area is concerned, in March, 1952?—Yes.

(President): So we are looking at the picture of the 3d. fare class of passengers 18 months or so later.

4693. Do you observe—and I am certain you do—in Line 2, that the number of passenger journeys—and for the sake of shortness I will call it passengers—at that date, 18 months after 313A, is 745 million-odd?—Yes.

4694. And that is 300 million more than the number of passengers you have estimated travelling in the latter part of 1950?—Yes.

4695. Those 300 million additional passengers are new entrants into this group of 3d. fare-paying passengers, are they not?—Hardly, Sir; the difficulty here is that when we come to 1950 I can get the figures for the Central Road Services, whereas before the figure was only on the buses and not on the trams, so there will be the passengers here who were travelling on the trams. There is bound to be an inconsistency between Line 10 of 313A and Line 2 of 313B.

4696. You cannot give a figure for the tram-transfers to the buses at that 3d. fare?—I do not think I can. Would you give me a moment to see if there are statistics? I am advised that had I gone a little further with 313A I could have produced a figure related also to trams and to trolley buses, but there was no reason to believe that the difference—in fact there is every reason to think that the proportion would have been exactly the same, because the same percentage discount had been applied by the Commission to the figures for trams and trolley buses.

4697. I am not really concerned, Mr. Karslake, with what you could have done; nor am I concerned with the exact number of new entrants in the 18 months of which I have spoken. That there were some new entrants is plain, is it not?—Yes.

4698. These are new entrants, who have deliberately chosen to travel at the new fare of 3d.?—Yes.

4699. Not affected one way or the other by any change in fares?—No. That you would normally expect Mr. Valentine's 50/50 split, I agree.

4700. Therefore, to the extent that that 745 million includes new entrants, it is wrong to apply the proportions of 45 and 55, is it not?—Strictly, yes. There is a marginal difference that affects it.

4701. It is wrong, and the extent to which it is wrong depends upon the number of new entrants, does it not?—Yes.

4702. We do not know that number?—No.

4703. If you turn over to 313C, the same observation, is again true, is it not? You see, your 313B leaves you with a group of travellers numbering 776 million?—Yes.

4704. We turn over to 313C, which is speaking of a date somewhere after August, 1953, is it not?—Yes.

4705. There you see your passengers are 829 million.

—Yes. These figures are more directly comparable, Sir.

4706. With the last?—With the last, yes.

4707. There again, on those figures you have 50 million new entrants?—Yes, more.

4708. Fifty million odd, is it not?—Yes.

4709. Fifty million new entrants who have deliberately chosen to pay a 3d. fare?—Yes.

4710. And there is no reason to suppose that in the case of that class of new entrants the percentage of 43 is right, is there, for short distance?—No, I agree.

4711. You agree?—Yes.

4712. Now, if you will turn to your table 313B,—I have not calculated the difference, the new entrants as at this date, but there is a difference between the Central Road Service passengers at the end of 313C and the present number of people travelling at the 3½d. rate, is there not?—Yes, there must be, because 313B is more directly related to statistics rather than being an exercise.

4713. There again there are new entrants?—To the 3d. fare, Sir?

4714. Yes, are there not? I have not calculated this. Perhaps if we look at another of your tables we can get it.—I thought there had been a big drop-back in the 3½d. fare.

4715. I may be wrong.—314B—I do not know whether I am on the right point here or whether I am misunderstanding you—shows, dealing with ordinary fares which include the backward journey of early mornings, not a loss in passengers but a loss in revenue of £999,000.

4716. I am not concerned with the loss in revenue. I am concerned with the question of how many people were ready to pay that fare.—Yes.

4717. Is it not rather greater than the number of passenger journeys with which you ended 313C?—Yes, it will be on our tables, because of the inclusion of the early morning journeys, I think.

4718. So, where there is a difference, those are new entrants who have deliberately decided to travel at this fare?—That seems to be the conclusion, yes.

4719. Again, in so far as there is a difference, it is wrong to apply the percentage which you reached at the end of 313C, of 40-60?—Yes. To apply it as a mathematically precise figure, I entirely agree.

4720. So much for what I have called new entrants. You know what I mean by new entrants? People who, knowing the fare, decided to travel by it.—Yes.

4721. Just to go back again, we have assumed throughout these questions that the 201 million short-distance passengers who were travelling at the 3d. fare after the 1950 Scheme, as individuals, remain the same throughout?—Well, if we have not assumed it, it is a fair assumption, I think.

4722. Is it? If the individuals are different, the new individual who takes the place of the old, is a new entrant, is he not?—Yes.

4723. Do you not think that in a period of some two or three years a considerable number of people will either have died, ceased to travel, changed their residences or changed their place of work?—There obviously must be that trend.

4724. In so far as those changes have had effect, the people who have taken their place in this round figure of 200 million will themselves be new entrants, will they not?—Yes.

4725. There again, one must make a deduction for that; how much, one cannot tell, until one knows what proportion of the 201 million passengers had changed their identity?—Quite.

4726. Do you follow?—Yes.

4727. Do you agree?—Yes.

(The witness withdrew.)

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[Continued]

(President): I rather gather, Mr. Willis, that Mr. Ruler wishes to make an application. Mr. Ruler, I gather you want to apply to be heard now rather than later?

(Mr. Ruler): That is so, Sir.

(President): Have you spoken to any of your colleagues?

(Mr. Ruler): I have spoken to Mr. Pickering, who has very kindly offered to let me speak now.

(President): Will that be convenient, Mr. Willis, so that Mr. Ruler will be enabled to go away?

(Mr. Harold Willis): Certainly, Sir.

(President): Mr. Ruler, you represent the Federation of Residents' Associations in the County of Kent, do you not?

(Mr. Ruler): That is so.

(President): You have submitted, and I suppose supplied to the other Objectors, some observations as the result of our preliminary decision?

(Mr. Ruler): That is so.

(President): And now you want to address us on those observations?

(Mr. Ruler): Yes.

(President): Very well.

(Mr. Ruler): As we anticipated in our written reply to the preliminary decision the British Transport Commission have based one of their objections upon the impossibility of restricting the 3d. stage on the buses to that particular fare. This aspect has been well handled by the London County Council and there is no need to repeat any of their arguments. The other objection is, briefly, that a conductor can cope with a 2d. fare but not with a 3d. one. I do not think there is any need to go any further into that aspect.

We were disappointed that in the Preliminary Decision no reference was made to the railways, although you made a very statesmanlike statement that the fares should be assimilated as between the London Transport Executive and London Lines.

(President): I think, or at any rate I hope, we were rather more guarded than that. We said that the present degree of assimilation should be preserved, Mr. Ruler.

(Mr. Ruler): Those were the exact words, Sir; that is so.

What is disquieting is that in the counterproposals by the British Transport Commission the new Scheme would put an even greater burden on the London Lines. In Paragraph 2 they state that "the financial position of the London Lines, taken in isolation, is not satisfactory", but there are no proper figures disclosed. It is this aspect we wish to develop.

As regards the British Transport Commission's exhibits we say that the estimated figures must necessarily be pure guesswork. We say that the decline in the traffic mentioned in Exhibit BTC 8, Section 1, Paragraph 5 said to be due amongst other things to a "change in economic conditions", must more clearly be stated as "due to higher fares".

Not one single figure has been given with regard to the Southern Electric. The so-called financial position of London Lines taken in isolation is, therefore, rather a misleading statement, and will remain so until an analysis of the various lines is produced. It is suggested that the unsatisfactory nature of that position is due to the hopelessly inadequate services in North London. Instead of endeavouring to remedy this situation the Commission are endeavouring to bolster the position by raising the season ticket rates, because they think the passenger cannot avoid paying, and by raising the Southern Electric fares.

The first effort, we suggest, is unethical and may be regretted economically. It is well understood that the cost of providing transport does not increase in proportion to the length of journey, and for this reason the old railway companies persuaded people to live farther afield by promising low season ticket rates. The 10 per cent. rise in the longer journeys will check any increase in the number of season ticket holders and in those cases where existing travellers find suitable accommodation nearer their work there will at least be a tendency for the number of longer distance season tickets to decline.

If it is not too late may I refer to Schedule 13 of the original Scheme showing the maximum fares for the really long journey, where the increases seem to be around £10 annually. This is one of those cases where I think you may get a considerable drop. Also, although it is said to be maximum fares, there is no mention as to what is to happen to the non-intermediate tickets for East Kent. They all cost more or less—

(President): You know, Mr. Ruler, you are really out of order in entering into points on the merits of the original Scheme as lodged. You are going back to matters which were open for discussion when we made our preliminary decision. We are really here today to discuss, so to speak, the modifications suggested as being good modifications to make in order to comply with our decision.

(Mr. Ruler): I thought you might take that view, so—

(President): I do not want to stop you summarily, but do not go on very long about this.

(Mr. Ruler): The only reason for which I brought that up was that because at the last Conference the people in East Kent were very alarmed at the fact that they might be faced with an increase of something like £40 a year. I will leave that point now.

As regards the second effort, namely, to raise the Southern Region ordinary fares, this is certain to be disastrous. It will be within your memory that in the early years of the century the rail fares were decidedly lower than the bus fares. It was from the point where they started to increase the fares that they lost passengers, and they are closing down passenger lines in all directions in suburban areas every month.

It is, we submit, the suburban areas which are going to be the mainstay of the railways. They have the heavy freight, except where that is being seaborne by big corporations.

As regards their main lines there are the aircraft which are taking their long-distance passenger traffic; as regards entry into the centre of towns, there is the possibility that helicopters will take the traffic. As regards the holiday traffic, the family car is going to take it, and in some cases even as far away as Cornwall the journey time is coming to some points from the outer suburbs.

You notice that these higher rates in suburban traffic are not only confined to London, but withdrawals are being made elsewhere. In Birmingham they have closed both the Perry Bar and the Selly Oak Circles; they have closed the service in Hagley Road. In London we have just been faced with the closing of the Alexandra Park line; it seems to be crossing the Thames. We have lost the Crystal Palace High Level line which was only opened a little over 20 years ago. The spread of this disease is continuous, and the rates are based in favour of the buses. You are going to lose more; you are going to have more street congestion; you will have to pay the interest of the capital of the railways which are not working.

(President): Mr. Ruler, I do not want to bother you, but these remarks lead me to make an observation I have had it in mind to make for some time; it seems to be forgotten that the section of the London Passenger Transport Act which enables someone to come and complain of the lack of facilities is still in operation. But we cannot, on a Charges Scheme, enter into a discussion as to whether this or that service should be discontinued.

(Mr. Ruler): That is not the point I am trying to make. The point I am trying to make at this juncture is that by increasing the discrepancy between the railway fares and the road fares you are pushing more and more traffic off the railways and on to the congested roads.

(President): I understand that.

(Mr. Ruler): As regards the future trend we suggest this can only be discovered by empirical methods. It is no good making guesses.

In the Sixth Schedule we suggest that the figures which they quote are not to be taken too literally, in view of the experience of the past. In many cases eleven stages by bus, but not by train, will remain at 7d. That was so after the last Scheme.

Since the British Transport Commission are obviously nervous of charging bus fares on the London Lines,

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[Continued]

what we have now put forward is that they shall make a small trial in a specific Southern Region Area.

The one we have selected is that from Holborn Viaduct to Tulse Hill, because, first, it is reasonably isolated from parallel railway lines. Secondly, there is heavy road competition and congestion in Camberwell Road. Thirdly, an increase in the number of trains can easily be made to meet increased traffic. And lastly, taken alone, it will not materially affect the British Transport Commission's finances. Can we try it out on a small scale? Details of such a pilot scheme were shown in Exhibit B, of which we provided your Secretary with a copy. The figures are specific. They are not vague generalities. They throw a light on the inequality of road and rail fares, a disparity that is going to be increased in the new Scheme.

What we suggest is a trial period of, say 12 months, an adequate service by train being instituted in this limited area, and the rail fares to be reduced to bus level, the Holborn fares to be the same as those to and from Blackfriars. There is an odd quarter of a mile that will sometimes make the rail fare to Holborn less than the bus, but that is a point in its favour. We are convinced that the experiment will be so successful that it will be extended to the other areas.

It has an infinitely better chance than the cheap evening fares, which (although they are very welcome) have nothing like the possibilities and may quite likely fail altogether.

I would like to draw your attention to figures of the road and rail fares which we gave in that Exhibit. You will notice in some cases the rail fares will be twice the bus fares.

Finally, we submit that the existing rail fare of 1½d. per mile should not be increased on London Lines as, far from raising the yield, the result of the increase will be a diversion of traffic to the congested roads; and, secondly, the British Transport Commission should be instructed to produce separate statistics for the Southern Electric.

(President): Are you suggesting, Mr. Ruler, that there ought to be different fare scales on the Southern Electric than on the other suburban services?

(Mr. Ruler): They brought forward a case here in which they said the position of the London Lines was not satisfactory. Until such time as we can see which are unsatisfactory it is very difficult to arrive at any sort of decision. What we are suggesting is that they may (by keeping the rail fares higher with a view to increasing the revenue in London) be killing, and we think they will, what we may call the casual traffic on the Southern Lines. That is our suggestion. We suggest that by reversing that and trying it in a very limited area, where it would not make very much difference to the total revenue, they could then see the total result instead of making what was really a shot in the dark. They could try it out in that area to see what is the effect on an electric line of the mainline railways.

(President): Of course, Mr. Ruler, there is nothing to stop them doing that; these are maximum fares, are they not?

(Mr. Ruler): They are. They have a habit of charging maximum fares on railways but not on bus services. Even before Parliament intervened they were not charging maximum fares on bus services.

(President): We have no power to fix, by this scheme, an actual fare.

Mr. ALEXANDER BRUCE BALMAIN VALENTINE, recalled.

Further examined by Mr. HAROLD WILLIS.

4728. In view of what the learned President has just said, I propose to ask you almost nothing in regard to the first part of our suggestion, namely, the modification to the ordinaries and the early mornings, which in the aggregate reduced the yield to London Transport by the figure of £640,000.—That is right, yes.

4729. I think perhaps we can ask you this; before putting that suggestion forward, after considering the 3d. fare proposal, you did consider all other reasonably possible alternatives?—Yes, in order to see what practicable and reasonable adjustment of the ordinary and early

(Mr. Ruler): What I am suggesting is that it should be decided by you to try out the rail fare in that area at the bus rates. That is what we were suggesting for that limited area, to convince everyone that it will be a success.

(President): Are you suggesting that we should put a separate section in any scheme we confirm, saying that the maximum fares for this small section of the Southern Lines should be those which you suggest?

(Mr. Ruler): That is the only thing we can suggest. By suggesting it over the whole area we thought there would be no chance of it being accepted, either by you or the Commission. We thought it could be tried out in the restricted area for 12 months to ascertain the results.

(President): May be it could, but the real point is, can we order it, and would it be wise to make a special section?

(Mr. Ruler): I could not answer that point, but I think it would prove our case that the wrong methods are being adopted with regard to rail traffic and street congestion. We could not see any other method of having any success at all if we asked for it over the entire field, and that area was particularly picked out as being suitable.

(President): The suggestion raises a very important general question of principle. To what extent ought we, under the guise of imposing maximum charges, undertake the management of the undertaking?

(Mr. Ruler): That is outside our province, obviously. We should not dare to suggest to you what you could do. But it was a suggestion that there was a possibility there.

(President): The point is whether it is legal.

(Mr. Ruler): We do want to stop this decline of the railways, because we can see that disaster lies ahead.

(President): I confess (as I think I have said already) with all due respect to my colleagues, I doubt whether Parliament intended that this Tribunal, even with the assistance of a Public Inquiry, is the best body for managing this undertaking.

(Mr. Ruler): I could not speak to that of course, but we did put this scheme forward in order to substitute by empirical methods some figures which at present are necessarily in the nature of guesswork.

(President): And of course this proposal is contrary to the second head of our preliminary decision, is it not, that the existing degree of assimilation should be preserved? You are suggesting that there should be an exception in these particular cases, are you not?

(Mr. Ruler): That is so, because the degree of assimilation is going to decrease if the new scheme be accomplished.

(President): Yes, I agree. Very well; of course we have all looked at and read your memorandum and at this exhibit, and we see what you are getting at.

(Mr. Ruler): That is all I have to say, Sir.

(President): We have listened with attention and we will give it our consideration.

(Mr. Willis): I think probably the best course now would be for me to recall Mr. Valentine just to deal very briefly with the season ticket issue.

(President): With the new proposals, yes. I suggest if it looks as though the season ticket issue was the only live one we might possibly limit ourselves. The new tables follow the form of the old exactly?

(Mr. Willis): Yes.

morning fare scales in the higher ranges would produce a total yield nearest to that laid down in the preliminary decision.

4730. So much for that part of the matter, Mr. Valentine. Now may we go to the season ticket scales suggested. The proposals for the season tickets, Mr. Valentine, have the effect, do they not, of referring to the degree of taper which had been established by the 1950 Charges Scheme?—Yes, they do that almost exactly by applying a percentage increase to the scale applicable in the 1952 Scheme, which itself substantially preserved the taper established in the 1950 Scheme.

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Mr. ALEXANDER BRUCE BALMAIN VALENTINE

[Continued]

4731. And since then, of course, the flat increases of 2s. 6d. a month at all distances imposed by the 1953 Scheme have steepened the taper and this process would have gone on under your original proposals?—As in the present Draft Scheme, yes.

4732. The modified scale which you now suggest for consideration would have the effect of slightly diminishing the discounts which season ticket rates represent to a small extent by comparison with the ordinary fare?—Yes, the removal of the element of additional taper imported into the season ticket scale in 1953 and in the proposals in the Draft Scheme, disappears under this proposal and thus the discounts, or savings, compared with the cost of travel at ordinary fares become slightly less at the longer distances.

4733. Is that reduction sufficient in your view, Mr. Valentine, to make the rate inappropriate in comparison with the ordinary rates?—No, I think it leaves the rates still extremely attractive compared with the cost of travel at other fares, and it only makes quite a small percentage difference to the savings, which are very large, arising from the use of season tickets for the longer journeys.

4734. And the broad fairness of the season ticket proposals can be considered, can it not, Mr. Valentine, in the light of exhibit 810A, which we put in yesterday, if we consider the gross yields which are attributable to the season tickets as compared with the ordinaries, represented as percentages?—Yes; you mean if we express as percentages the increases in column 15?

4735. That is right.—Of exhibit BTC 810A?

4736. That is right.—The real measure of the burden on the passenger is of course the percentage represented not by the discounted yield but by the gross yield, and the figures in BTC 810A are figures of discounted yield.

4737. That is why I wanted you, with this table in front of you, just to give us certain additional figures. They are all derivable from your other tables, but it would be convenient if we could just write them in, would it not, in column 15? In item 1 at column 15, where the total net increase shown in this category at the figure of £2,492,509, the gross figure would be what?—6·18 per cent.

4738. But the total figure is £4m. odd?—The total gross yield is £4,091,012.

4739. And that gross yield represents, does it not, a percentage increase of 6·18?—6·18 per cent. of the figure in column 14.

(Mr. Harold Willis): Of the figure of £66,217,795.

4740. (President): What percentage?—6·18 per cent.

4741. (Mr. Harold Willis): And if we may continue this process down column 15, Mr. Valentine, the early morning gross figure of increase is how much?—£1,587,002.

4742. Does that represent 11·882 per cent increase to the figure in column 14?—That is right, 11·82 per cent.

4743. When we get to season tickets, the gross figure is how much?—£665,216, which represents 5·66 per cent. of the figure in column 14.

4744. And if we compare that with the figure against the ordinary and the day-returns, we see a smaller percentage of increase there as compared with that in item 1?—Yes, that is right.

4745. Then, to make the table complete—I do not think we need worry about the clearance figure, those are the only three items that are significant, are they not?—I think perhaps it would be convenient to give the gross yield expressed as a percentage for line 6, the total line.

4746. Yes. Would you give that figure?—The money figure is £6,343,230.

4747. And the percentage?—That is 6·85 per cent. increase of the figure in column 14.

4748. So the season tickets in effect, looked at from this aspect, are being increased to a smaller percentage than any of the other items?—Yes.

4749. While we are considering the position of season tickets and the increases proposed for them as compared with ordinaries and early mornings, it may perhaps be worth while, Mr. Valentine, just to look back a little over the last few years, and I think there are not very

many figures. If we go back to the position pre-March, 1952, and if we take a figure of 100 as the appropriate figure for the ordinaries, the early mornings and the seasons at that date—?—Yes.

(President): That is before the 1952 Scheme came into operation?

4750. (Mr. Harold Willis): Yes, Sir. Let us see how that figure alters comparatively at certain dates after March, 1952.—Yes.

4751. The first figure you give is a figure for the position after the 1952 Scheme came into force?—Yes.

4752. (President): After or before?—After.

4753. (Mr. Harold Willis): The 100 was before and this is the first change of the 100; is that right, Mr. Valentine?—Yes. I do not think we need necessarily give figures separately for the position after March, 1952, and after August, 1952, when there were some readjustments of substandards.

4754. (President): That was after the row, was it not?—Yes. I think the figure perhaps to give is after August, after the downward change in certain substandard rates. After August, 1952, the ordinary fare figure becomes 117·8; the early morning figure, 130·0; the season ticket figure, 120·2.

4755. (Mr. Harold Willis): That increase as compared with 100 represents precisely what?—20·2 per cent., clearly.

4756. On what basis have you calculated the matter to get at that percentage?—Simply on the basis of the gross yields of the scheme as approved and subsequently adjusted in August, 1952, taking gross yields to show the additional cost to the traveller who continues to travel.

4757. That is the point I wanted to bring out, Mr. Valentine. You have given the figures, have you not?—Yes, for the position as it was after August, 1952. Then the next revision of charges was effective in August, 1953. Applying the percentage increase represented by the gross yields of the Scheme introduced at that point of time, August, 1953, to the figures I have just given as indicating the level of the charges in August, 1952, that is to say in effect giving the cumulative effect of two revisions, the figures after August, 1953, become for ordinary fares 126·5; for early morning fares, 143·0; and for season tickets, 125·4. Then would it be convenient to give the corresponding figures for the effect of the 1954 Scheme as submitted?

4758. Yes.—And then as now proposed to be modified in the 810A series?

4759. Yes.—Taking again the gross yields of the 1954 Scheme as submitted and applying it cumulatively to the last group of figures I gave, the figure for ordinary fares for the 1954 Scheme as submitted had it been approved would have become 135·7.

4760. And the early mornings?—The figure for the early morning fares would be 163·0, and the figure for the season ticket rates, 130·4.

4761. Then when we look at the position in the light of our suggested modifications, what do we find Mr. Valentine?—Instead of the last three figures I have given, we would get, if the modified proposals of the Commission shown on 810A were applied, a figure for ordinary fares of 134·3; for early morning fares, 160·0; and for season tickets, 132·5.

4762. You bring the season a little closer now to the ordinaries, not far apart, only two points apart?—Yes, virtually the same, just marginally below on the figures, but not significantly different.

4763. Do you conclude from that, Mr. Valentine, that these proposals do not introduce for season tickets an extra burden which is unfair as compared with what the ordinary ticket holder has had to bear?—I think that is certainly clear from the figures.

4764. So far as the yield from the season tickets proposals, they are set out, are they not, on Appendix H. We see there, for British Railways London Lines, a gross yield of £496,000 and a discounted yield of £450,000?—Yes.

4765. In the remarks column the note is "nominal allowance made for loss of traffic"?—Yes.

4766. Do you wish to make any comment on that?—No, the figures have the same status in relation to the

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[Continued]

modified proposals as the figures originally printed in Exhibit 810.

4767. The same note?—And the same note applies, yes.

4768. So far as the London Transport Executive railways are concerned, gross yield of £167,600, and a discounted yield of £134,874. There you have made certain assumptions, the gross yield assumed an average increase of 5·4 per cent. in season ticket rates, the discounted yield allowed for 1 per cent. loss in passengers?—Yes.

Further cross-examined by MR. GEOFFREY LAWRENCE.

4770. Mr. Valentine, I shall leave the detailed examination of the position to those who follow me and whose special subject it is. Could you perhaps just help me by answering one or two questions about the position that appeared to emerge from paragraph 11 of the British Transport Commission's first Memorandum which introduced the proposed modified scheme? Have you a copy of that?—Yes, on page 256.

4771. I am not sure of the page in the printed record; it is the last paragraph of the first Memorandum. As I see it, the total estimated yield from the modified scheme is put at £3,775,000.—Yes.

(President): London Transport?

4772. (Mr. Geoffrey Lawrence): Yes, London Transport. (*To the Witness*). The expected revenue from season tickets at the rates included in the modified scheme for the London Transport is £136,000 is it not?—Yes.

4773. It is the figure in paragraph 11.—Yes.

4774. (President): It is in line 3 of 810A, column 13.—Yes.

4775. (Mr. Geoffrey Lawrence): That figure of £136,000 includes a figure of £22,000, which was the figure of yield from season tickets expected from the Scheme as submitted to apply to London Transport?—No, the whole of the £136,000 is for London Transport and exceeds by £22,000 the amount shown in the Scheme as submitted.

4776. If you prefer that I put it in another way, the figure which was expected from the Scheme as submitted was £114,000?—Yes.

(President): That is right.

4777. (Mr. Geoffrey Lawrence): On the basis of the Tribunal's preliminary decision that the Scheme should be modified to the extent necessary to limit the additional revenue sought by the London Transport Executive to a sum of the order of £3·6m. per annum, you could safely deduct either figure of revenue from season tickets, either from £136,000 or £114,000, could you not? You would still get a revenue for London Transport of £3·6m. Do you follow?—Yes.

4778. If you deduct £136,000 from £3,775,000, it leaves you with £3,589,000?—Yes.

4779. If you deduct £114,000 from the same total figure, it leaves you with £3,611,000.—Yes.

4780. That is the position on London Transport. The additional imposition by way of charges expressed in terms of gross yield under the modified Scheme of £22,000 for London Transport is the direct result, is it not, of the desirability in the Commission's view of raising the charges for season tickets on London Lines?—Yes, in order to produce a better total figure for the London area as a whole; but in that question you said "gross yield" and you should have said "discounted yield".

4781. Yes, discounted yield; I am only just getting the position as I understand it quite clear. Your trouble is

4769. A slightly different figure from the one in the original appendix of 810H?—Yes, it has been altered to 5·4 per cent. to reflect the slightly increased level of the rates, being in fact the percentage increase at the average rate paid which is the nearest to a sound figure we can get. The discount allowed is not altered; it is the same in 810A as in 810.

(Mr. Harold Willis): I think that is all I desire to ask you in regard to the season ticket rates.

this, is it not, that having reduced your ordinary fares as you propose in the higher ranges, you have to face a consequential loss on London Lines of, I think, £280,000, £180,000 on London Lines ordinaries and £100,000 on the early morning fares?—Yes.

4782. So the imposition of extra charges for season tickets on London Lines, which is expected to produce a discounted yield of £300,000—is that the right figure?—Yes. It is in the Commission's view dictated by the necessity of restoring the balance.

4783. Part of it?—Yes; making a contribution to that end, yes.

4784. Therefore, that is the reason, is it not, why we find so far as London Transport is concerned, a corresponding extra imposition on season tickets which results in a total revenue of more than £3·6m. for the London Transport Executive?—No, the effect of adjusting the season is really negligible on London Transport. It involves a difference of £22,000 in the yield.

4785. I agree, that is the figure I put to you. What I am really suggesting is, you see, that in a modified Scheme for London, in a modified Scheme designed to produce a total sum of the order of £3·6m. for London Transport, which is less than in your original scheme, it is really an extraordinary thing to include a provision which puts up the rates for season tickets and has the result of producing a total sum unnecessarily in excess of the proposed figure?—The adjustment to the season ticket scale put forward in these modified proposals, as I say, only makes £22,000 difference to the London Transport total.

4786. I know it does, but you do not need it.—No, we do not need it for the London Transport target.

4787. But you have to put it in because of what you have done on London Lines?—The two things go together. The scale for season tickets is a common scale and is to remain a common scale for London Transport and London Lines, and therefore whatever you do on one has some effect on the other.

4788. But you see we have this position, have we not—and I want you to face it and give your answer to it—that so far as reaching a target figure of £3·6m. for London Transport is concerned, you can do without not only the additional increase on season tickets, but even the increase on season tickets in the original Scheme?—As a matter of arithmetic, yes.

4789. But as soon as you bring the position of London Lines into the picture, if you are going to attempt to redress the loss on the higher ranges of the ordinaries by way of a further increase on season tickets, then we get this position in your modified scheme?—Yes.

(Mr. Pickering): Sir, I would like to adopt the cross-examination of my learned friend Mr. Lawrence, but I have a few questions to put to Mr. Valentine.

Cross-examined by MR. PICKERING.

4790. Mr. Valentine, these questions are in regard to Southend, for whom I appear. Looking at paragraph 11, which you have just been considering with Mr. Lawrence, would you agree with me that the increase on London Transport for season tickets is £22,000 in the modified scheme, an increase of approximately 19·3 per cent. over the yield on the Scheme as submitted?—The figure sounds to me to be wildly wrong, but perhaps I did not understand the question.

4791. The percentage of £22,000 of £136,000 is approximately 19 per cent., is it not? It is about one-fifth.—Yes, I see what you are doing, yes that is quite correct, arithmetic.

4792. And in the same way on London Lines, if you take the figures applicable to London Lines, it is 33½ per cent.—£150,000 and £450,000.—£150,000 is 33½ per cent. of £450,000, but I cannot go with you any further at the moment.

4793. I am not asking you to. As you have already told Mr. Lawrence, the deficit, or the loss of yield, on the London Lines has come about as a result of the modification of the fares in the higher scale; that is right, is it not?—Yes.

4794. And you have therefore been obliged to try and recoup that loss from the season ticket holders?—That is the proposal put forward here—to recoup in part.

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[Continued]

4795. Would you agree that the yield from the season ticket holders of the London Transport and London Lines, taken together, is £586,000?—Under the modified proposals, yes, that is right.

4796. That is approximately 11 per cent. of the increased yield which you expect from the whole London area?—Eleven per cent. of what—the £4,550,000?

4797. I am sorry; the season tickets, which are over about £4m.?—It must be about that.

4798. I do not want the exact figure, if you will agree that is approximately so?—Yes.

4799. Will you agree that if you were to modify the lower scale of fares rather than the higher, there would be a negligible, if any, effect on the London Lines season tickets?—That seems a *non sequitur* to me.

4800. Will you explain why, please?—Because you asked me, if we did something different with the ordinary fares, if that would have some effect on the season tickets.

4801. I said it would have no effect.—I do not follow the question, I am sorry. Perhaps you would be kind enough to repeat it?

4802. Certainly. It is the converse proposition, is it not, because of the fact you have sought your modification in the higher scale, which has produced the maximum repercussion on the long distance traveller—the season ticket holder—on the London Lines?—No, it does not initially have any effect on the season ticket scale at all. That is dealt with separately after considering the main problem, and the main problem is the adjustment of the original Scheme to meet the requirements of the preliminary decision which must be made mainly on the ordinary fares—that is where the big money is. That is where the £700,000 for the increased yield can be effected as to the greater part, and it is the correction of the ordinary and early morning fare scales in the modified proposal which is the first step in producing the modified proposals as set out in the Memorandum. This question of season tickets arises separately.

4803. I should have thought this was self-evident, but if you cut down or modify your proposal in the higher range—

(President): The higher range of season ticket rates?

(The witness withdrew.)

(Mr. Pickering): In the continued absence of Mr. Rougier elsewhere, the mantle of Elisha has fallen upon me to address you, Sir.

(President): Do you want it to fall on you, or do you want to wait for Mr. Rougier to come?

(Mr. Pickering): I am quite content that it should fall upon me.

(President): Then we are quite content that it should be there.

(Mr. Pickering): You have already indicated that many of the facts in the history of the Southend Corporation are drawn upon your hearts. Southend is 36 miles from Fenchurch Street, and the proposal in the modified scheme naturally, as Mr. Valentine has agreed, falls most heavily upon the long distance traveller, because instead of the original proposal, as submitted, of a flat 2s. 0d. increase, it is now expressed as a percentage.

In paragraph 11 of the Commission's Memorandum, it is apparent that the season ticket yield is approximately £586,000, and I think it is perhaps not without comment that that is very near the figure of £700,000, to which the Tribunal has suggested the Commission should restrict their revenue.

The proposal not to increase fares of 1s. 0d. and over, which is proposed by the Commission, but to modify the higher scale of fares, naturally produces the greatest effect on London Lines because of the principle of assimilation, and the result is that those who benefit from this proposal are the ordinary and day-return ticket holders—the casual travellers—whereas the season ticket holder is, in my submission, milked so that those people can benefit. The season ticket holder is the regular customer, if I may put it that way, of the railway. He has to travel; he has to get to work; he pays for his travel in advance,

4804. (Mr. Pickering): Yes—then the repercussions are greater on the longer distance traveller?—Yes, certainly.

4805. But if you make your modifications on the lower scale—I am now going to talk about ordinary fares—the repercussions on the long distance traveller are negligible because you do not have the process of assimilation, giving you an increased loss the further out you go?—I do not really know to which groups of traffic you are now trying to direct my attention.

(Mr. Pickering): Then I will leave that point, as I think, in fact, I can get it all from the figures, to which I will draw the Tribunal's attention later. Now may I turn specifically to Southend and to the table, Appendix 2, at the end of the Memorandum of the Commission—the modified scheme. I know you will accept it from me that Southend Central is 36 miles from Fenchurch Street.

(President): It is graven on our hearts!

4806. (Mr. Pickering): If we may, just for the sake of the Record, interpolate in that Appendix the 36 miles, will you accept it from me that in column 2, "existing", it is £5 0s. 9d.?—Yes.

4807. And the proposal, in the original Scheme in column 3, is £5 2s. 9d., the flat 2s. 0d. increase; and in column 4, £5 8s. 6d. which is the modified proposal?—Yes.

4808. And leaving, in column 5, plus 5s. 9d.?—Yes.

4809. In Table BTC 810A, to which you referred, you gave the increase in Item 1 as 6·18 per cent.?—Yes.

4810. Which compares with Item 3, the season ticket rates, of 5·66 per cent.?—Yes.

4811. Will you accept from me that the increase of 7s. 9d. on the fare of £5 0s. 9d. is 7½ per cent.?—Yes.

4812. So far as Southend is concerned, therefore, the general percentage of 5·66 is, of course, not applicable?—No. 5·66 is the average percentage of the whole of the season ticket increase—it is a little higher at the longer distances, and a little less at the shorter distances.

(Mr. Rippon): I am quite content to adopt the cross-examination of my learned friend Mr. Lawrence, Sir.

(President): Does anyone else want to cross-examine Mr. Valentine on the season ticket point? Apparently not.

(Mr. Harold Willis): I have no re-examination, Sir.

and although I appreciate it is usually dangerous and always uncharitable to impute motives, I ask you, Sir, to draw the irresistible inference in this case that the Commission have levelled their sights at a sitting target—the season ticket traveller, who cannot possibly do anything except take a train, and in my submission he has been taken advantage of.

If I may examine shortly the principle of assimilation: the ordinary and early morning fares on the London Lines are still below the British Railways' scale. By the original scheme, as submitted, the London Lines season tickets were put above that scale by a flat 2s. 0d. increase, but now, under the modified scheme, they are put even further above. In my submission, the principle of assimilation has been completely jettisoned there—entirely jettisoned—in favour of a piece of budgetary expediency.

(The President): Mr. Pickering, I thought the principle of assimilation, if it is a principle and not merely a slogan, was a principle applied within the London Area, and it is never spoken of as assimilating, in that sense of the word, London Area charges with extra London Area charges.

(Mr. Pickering): I had understood that it was also applied to extra London charges; but if I am in error there, I am clearly making a bad point.

(The President): I am certain you can make the point, but with perhaps rather less substance in it.

(Mr. Pickering): I still make the point that I think it is inequitable.

(The President): Well, that is a different point. I think if you had said that before this new scheme the season ticket scales were in fact the same for distances outside and inside the London Area—

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[Continued]

(Mr. Pickering): They were indeed the same. Even on that basis, as I say, this increase is clearly inequitable.

Another matter in my submission is that there is an inequality of sacrifice here. It has been admitted here that it is quite uncertain whether or not London Lines are pulling their weight financially.

(The President): You say it has been admitted—admitted by whom?

(Mr. Pickering): I think it has been admitted in evidence, Sir. I was going to refer—

(The President): There were singularly few admissions on the question as to whether London Lines were pulling their weight.

(Mr. Pickering): May I first of all draw your attention to page 14 of the Tribunal's Memorandum on the 1953 Scheme, paragraph 23. You say: "It is sufficiently apparent from what is said in the foregoing paragraphs 19 to 22 that we think it is impossible to arrive at a confident estimate of the financial prospects of the Railway Executive's London Lines." That passage was indeed quoted by Mr. Willis in his opening.

I should also like to refer you to the transcript of the First Day, page 16, question 218, which was put by Mr. Fay to Mr. Winchester: "I want to go through this in some detail. To start with, do you wish to draw attention to the character of the London Lines of British Railways?"—(A) Yes. I think this is a point that everyone, myself included, is inclined to forget. We are not really dealing with a physical entity or a geographical entity. We are dealing with an abstraction. We are dealing with the passenger journeys which start and finish within the area, and with the costs of these journeys which of necessity involve the cost of a certain proportion of travellers in a carriage. In a particular carriage you will have three London passengers and three non-London passengers. You must say how much of the cost of that train relates to London. The matter is essentially arbitrary. In the same way you have stations which work jointly, for both purposes. You have the tracks which are not only for London passengers and outside-London passengers, but for freight."

(President): I do not want to stop you, Mr. Pickering, but it is quite true that it was admitted, if it needed an admission, that no precise mathematical conclusion was possible as to the working expenses of London Lines. I will not trouble you with an estimate of the number of hours since that part of the Inquiry ended I have spent in reviewing the effect of the evidence on that point. That was admitted, but it was certainly not admitted by Mr. Lawrence that they were not paying their way.

(Mr. Geoffrey Lawrence): Quite the opposite.

(President): Indeed, he spent a long time and his expert adviser spent longer, trying to convince us that they were paying their way. He did not contend, as I say, that there was any precise mathematical calculation as to the amount of their working expenses.

(Mr. Pickering): What I said—and I apologise if I did not make my point clear—was that it is admitted it is uncertain whether or not they are pulling their weight, which, in my submission, is a different proposition.

(President): Perhaps it may be, but one side was contending that it was certain that they were.

(Mr. Harold Willis): And the other asserting they were not.

(President): The uncertainty is, not of the results, but as to the methods by which you reach those results.

(Mr. Pickering): If I may read the last sentence, it says: "London Lines is essentially an abstraction, and it is therefore a matter of estimation."

(President): Yes, there are different ways of doing the estimation; no one admits which is the best way, and no one admits what is the result of either way. I wish they did.

(Mr. Pickering): What I was going to submit from that piece of evidence is that the statement which appears in paragraph 2 of the Memorandum of the Commission to the effect that the financial position of London Lines, taken in isolation, is not satisfactory, even under the scheme as submitted, is clearly not correct.

(Mr. Harold Willis): That is stated as the view of the Commission.

(President): That was their view, is still their view, and will no doubt remain their view, at least until we give our decision, and probably will remain so even after we give our decision.

(Mr. Pickering): I appreciate only too well that is their view. I am trying to say, in view of their own evidence, that categorical statement of fact is not justified.

The history of the London, Tilbury and Southend line is at any rate something which is quite certain and quite well known. In the past, as you will recollect, they carried their passengers at a fare which was approximately half that pertaining to the rest of the country. Two years ago their fares were increased to those of the London Lines by assimilation, and last year their season tickets were put up to the scale of British Railways. It is perhaps not inappropriate to comment—

(President): The other way of putting that last fact is that they were made the same as the scale for London Transport.

(Mr. Pickering): Yes, that is also true. I think what I said is equally correct.

(President): Because there was a common scale.

(Mr. Poole): Did you say "last year"? I think you are wrong about the time; it was the previous Inquiry before that.

The British Railways scale was made identical with the London Lines scale in 1952, not in 1953. Am I correct in that, Mr. Willis?

(Mr. Harold Willis): Yes, Sir.

(Mr. Pickering): I am sorry—it is my mistake.

(President): It does not affect your argument; it makes the wound longer seated.

(Mr. Pickering): Yes—longer seated and a more savage cut!

I submit, however, that it is not inappropriate to comment that the London, Tilbury and Southend line, which was profitable, has in fact played its part in financing the lack of profitability of some of the other lines, and the increase which is sought to be put upon the season ticket holders of Southend is one which has come about, in my submission, entirely due to the legal fiction, as it were, of classifying the Southend traveller as being part of London Lines, and is not due in any sense to saying that that line on which he travels is unprofitable.

In those circumstances, Sir, in my submission it is totally unfair that the season ticket holders of Southend should be asked to pay the greatest increase in terms of cash so that, as I have already mentioned, the casual traveller can travel more cheaply. For example, the weekend traveller who goes to Southend for the day, unless he has had the good sense to catch a private coach at half the price, is the man who is going to be benefited by this modified proposal.

In my submission, although it is quite true—and I accept the figures of Mr. Valentine—that the average of the season ticket rates expressed as a percentage is 5.66 as compared with 6.18 of the increase on the ordinary day return, that in my submission is not a good point for saying that this increase is equitable. The thing which matters to the man in Southend is not the percentage, but the actual cash which he has to pay out, and budget for in his family budget. A halfpenny on 34d., as compared with 7s. 9d. on approximately £5 is of course a far greater percentage, but the person who has to pay 7s. 9d. is far more concerned, and rightly so—human nature being what it is—with an increase of that nature, than a person who has to pay a halfpenny on 34d. In my submission that is the sort of attitude one meets in everyday life. That is why I ask you to look at the increased cash outlay and not the increase presented as a mathematical formula. Of course, as I mentioned, the increase so far as Southend is concerned is 7½ per cent. and not 5.66 per cent.

Those are the facts of the Scheme which, according to the Commission, will not have an unreasonable effect upon the finances of London Lines. It is dangerous to prophesy, but if this treatment of the long distance season ticket holder is continued, I ask you to say it may not be unreasonable to expect that a number of them will, as the housing situation improves, move closer to London,

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if that is the treatment which is to be meted out to them, and of course that will mean a consequent drop in yield to the Commission.

I should like very briefly to adopt what was said yesterday by my learned friend Mr. Elton, who pointed out that it was strange that the relief of the burden on one section of the community, which the Tribunal had hoped to achieve, should impose what in my submission is a grossly unjust burden on another section of the community, and that that should happen when the Tribunal have asked the Commission to cut down their revenue.

I have left what was taken before as a preliminary point to the last, for this reason: In my submission it is a matter for your discretion whether or not you should allow this scheme to go forward in the absence of a number of people who have not objected, but who would otherwise have objected, since they had no opportunity to object. I can give you a specific example of that. If I may read to you a letter which is addressed to you from the Railway Travellers' Association—

(President): The whole point is whether they had an opportunity of objecting, and under the law as it now stands, they had an opportunity to object or to make representations.

(Mr. Pickering): They had an opportunity in the sense that they could have objected to the 2s. 0d. flat increase, but this is something so much more serious; in my submission it is such a vast increase, that although one might well be content to stand, as it were, behind someone else who is objecting when a relatively small matter is at issue, when the matter gets so vast and the increase in this case is 7s. 9d. instead of 2s. 0d.—

(President): What you are saying is you had better—because it is plainly right in law that they had an opportunity of objecting—put your contention in this form, that it was quite reasonable of them not to avail themselves of that opportunity because the increases actually proposed then were relatively small. But that they had an opportunity is a matter of law.

(Mr. Pickering): That of course is strictly accurate; I cannot escape from that. I think this letter will make the position of the Railway Travellers' Association of Southend quite clear. In their letter of the 1st July they say—

(President): How many members are there of this Association?

(Mr. Pickering): I am told many hundreds, but I have not the exact figure.

(President): What do they subscribe?

(Mr. Pickering): I understand it is a few shillings a year; I am sorry I cannot be more specific. They say: "It is understood that the Commission have, in effect, put in a new scheme whereby the proposed increase in the monthly third-class season ticket from Southend to London has been raised from the 2s. 0d. which appeared in the original scheme to a figure approximately four times that amount. I am instructed to point out that, in our view, this revision constitutes a completely new Application, the details of which should be published and an opportunity given to those who now desire to object to do so."

(President): Is this the body which has two M.P.'s as Chairmen or President?

(Mr. Pickering): I understand it is.

(President): The letter you are reading is a letter which somebody wrote to me, is it not?

(Mr. Pickering): Yes, it was addressed to you, Sir.

(President): And I suspect we answered it by saying that we could not enter into a correspondence with regard to this Scheme.

(Mr. Pickering): Indeed you did, Sir. I am only quoting it to you as showing what their attitude is.

(President): Very well.

(Mr. Pickering): This is the relevant point in their letter: "I must further add that, whereas this Association was prepared to allow its objections to the 2s. 0d. flat increase to be included in those put by the Southend Corporation, we should certainly have put in an objection

if the revised Application by the Commission had been put in as the original Scheme." That, in my submission, is a matter—

(President): I am quite certain that this Association, even if the M.P.'s had come and spoken for it, would not have been able to put the point better than you did, so you have not lost anything.

(Mr. Pickering): That may be so, Sir. Perhaps I should not have put it quite that way! I should hesitate to think that would be the exact position, but—

(President): Points do not gain in force before this Tribunal by being put by three different people; in fact, if I may give away a secret, they sometimes lose whatever force they had if they are repeated too often.

(Mr. Pickering): That, Sir, is not an uncommon experience in many Courts, if I may say so.

I have made my point on that, and it is a matter entirely for your discretion. I ask you to exercise your discretion in view of what I submit is a grossly unfair increase, and to say this further increase should not be allowed.

The last thing is that I wish to adopt the solution put forward by the London County Council, if I may put it that way, because, as you appreciate, that solution would mean that there is no need for an increase at all in the season ticket rate, but I am more than content that that point be left to someone else to deal with.

In the circumstances of what I submit is a completely unfair and inequitable sacrifice, I ask you to reject this on the grounds that the assimilation, as it were, has produced, so far as the Southend travellers are concerned, not the lowest common multiple but, if I may say so, the highest and most uncommon factor.

(Mr. Rippon): May it please you, Sir; I have nothing to add to the general observations which I made in what I still hope may be regarded as my final speech; I should hate to think that by repetition those observations might lose their force.

So far as this part of the Inquiry is concerned, those whom I represent are in full agreement with the case put forward by the London County Council, and we desire to adopt that case.

(President): Thank you, Mr. Rippon.

What stage have we reached now? I think it is your stage, Mr. Lawrence?

(Mr. Geoffrey Lawrence): It sounds like it, Sir, from the silence behind me.

(President): Would you like to adjourn earlier, come back earlier, and start afresh?

(Mr. Geoffrey Lawrence): I do not know what course would be more convenient to you, Sir—whether it would be more convenient for you to hear what I have to say in one go, or of course I can take it in sections if you please.

(President): You do just as you wish, Mr. Lawrence.

(Mr. Geoffrey Lawrence): If you please, Sir.

I am not proposing to make a lengthy address to you on these matters, because the evidence is fresh, and the points are fairly narrow ones.

I would like to begin, if I may, by recalling how it is we have come to spend four days investigating these matters. It was the result of your decision to limit the income of the London Transport Executive to £3.6m., and of the suggestion that you would like to consider the possibility of introducing into the scale of road services contained in the Sixth Schedule to the Scheme, a 3d. fare for three stages. One might have thought that was a harmless enough suggestion, stated like that, but it has led, of course, to considerable debate of considerable complexity.

It is a pity, if I may be permitted to say so, that it is not possible in the view of either of the parties to this dispute to introduce a 3d. fare for three stages *simpliciter* into any scale; that both parties appear to be agreed that the repercussions of that simple fare stage, by way of double booking, would make so many difficulties that there are certain necessary consequentialities upon that; and a great deal of trouble and difficulty has arisen from that fact.

If I may, I will deal first of all with the financial implications of the matter, because, as I see it, if the introduction of the 3d. fare for three stages, which of course

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has been the case for the London County Council, with any necessary consequential stages higher up in the scale, would in effect play ducks and drakes with the finances of the Executive, then of course you would decide against it on that ground alone.

The second ground of practicability on which we spent some considerable time is perhaps a matter which is more elusive and more difficult of plain decision; and I would like to defer the few observations I have to make on that until I have dealt with the financial aspect of the matter.

Then finally, I would like to add a few words upon the Commission's own suggested modified scheme involving, as it does, this debated and, as I submit, debatable, issue of the increase of charges of season ticket rates.

The first item about which I desire to say a few words on the financial aspect of the matter is the introduction of the 8d. fare. I appreciate that if you should come to the conclusion that a single-stage system of charging could properly, and ought properly, to be introduced, you would not need any convincing that that scale ought to include an 8d. fare for 8 stages, or four miles, and as we have suggested, the non-introduction of the 10d. fare. The reasons for that, in my submission, are cogent, and I need not go over them again. The Commission themselves, I think I am safe in saying, if faced with the disagreeable necessity, for them, of introducing such a fare scale, would probably not hesitate to include the 8d. fare as a means of increasing their revenue, and omitting the 10d. fare, which must so far as its introduction at that point is concerned, be a deterrent to revenue.

The main point of difference between the parties upon this Scheme is, of course, the division of the receipts from the present 3½d. traffic. It always has been at this Inquiry—and it no doubt has been at others—a very critical stage in the fare scale, because it represents the point at which the greatest single yield is obtainable, and it is the most vulnerable to attack. Of course, those were the considerations which I submitted before, when I was making my address to the Tribunal, which indicated the difficult position in which the Commission now find themselves; they are faced with the dilemma that they require still extra revenue, and in order to get it they have to attack the most profitable fares.

But the other horn of the dilemma is that those most profitable lines of fares are the most vulnerable to attack, and therefore must be subject to greater and greater discounts. It is precisely for that reason that we strongly suggest the introduction of this single-stage method of charging, but it does involve, for its financial appreciation, the division of the present traffic covered by the one mile distance.

As I see it, Sir, my submission is that the evidence must leave you and your colleagues in a state of uncertainty as to what is the precise division of those receipts expressed in anything like an accurate arithmetical quantity; but in my submission the evidence should leave you in no uncertainty at all that the division is not a balanced equipoise between 50 per cent. to one category and 50 per cent. to the other, but to a loading, as we have suggested, of one against the other.

The extent of that loading must, I am afraid—and I regret having to admit this, because it would be of maximum assistance to you if a figure could be put to it—must remain, on the evidence, uncertain. In my submission it is worthy of observation and recollection that the scale which we are suggesting does not involve any real change in the rate per mile; we are merely suggesting that this split should take place because we think it would attract greater revenue and would mitigate passenger resistance and so forth. We are not interfering with the rate per mile, as such.

In my submission, Sir, the logic of our approach to the question of this split is unassailable; the results in amounts can be criticised, and have been quite fairly and properly criticised, by my learned friends on the other side of the room; and if I may respectfully say so, by the very pertinent questions put to Mr. Karslake this morning by yourself. But those criticisms, if I may respectfully say so, are criticisms of the arithmetical results of the exercise of our LCC 313 series of tables; they are not destructive of the position in principle which those tables were designed, if only approximately, to illustrate.

The reason I say that, Sir, is this: We must take a starting point somewhere; unless we are going to give this up and say that it is a mere matter of guesswork, we have to take a starting point somewhere. My Council can hardly be blamed for taking as a starting point—the very firm expression of opinion—I need not recall the exact words—given by Mr. Valentine in 1950. 1950 was not an arbitrarily chosen date for an expression of opinion of that sort; it was, I venture to submit, a little more than ingenious of the Commission to draw Mr. Karslake's attention to the fact that in 1946 at the Inquiry in that year it had also been said by the Commission that the division was 50/50, and to say that there were discounts and so forth in that year. How can you possibly, four years later, assume a starting point of an equal division unless you are at once admitting the destruction of your own argument, after 1950?

I say that was rather more than ingenious, because it must be within the recollection of everyone that between 1946 and 1950 the whole of the population aspect of London was completely changed; people were coming back in droves to London after the war; firms were re-establishing their staffs and so forth. There is really no comparison between 1946 and 1950.

But by the time you get to 1950, something of the post-war change had become established. Of course, Sir, the whole face of London is perpetually changing by movements of people and so forth; it is never static from one day to another in one sense; but if one could talk of a starting point anywhere, and base a conclusion upon it, 1950 does serve as a convenient place to start, and we cannot be blamed for basing ourselves on that date on the confident view of the Commission themselves, of whom we are constantly reminded, no one knows the business of transport better than they do.

Had there been an interval sufficiently long after the 1950 Scheme had been put into operation; had there been sufficiently long for anybody to say that there had been such a change, or may have been such a change, in the pattern and habits of people that it had settled down again to a roughly equal division between the two fare categories, then, of course, the LCC 313 series of tables would be quite useless, because they would have been open to the objection which was taken to them at an early stage on the other side, namely, that if you go on with that process long enough, true, it would take a very long time, but if the suggestion was: One could imagine an Inquiry of that sort taking place in the year 2054, one might have reached the point when the whole of the passengers in the mile section were all in one category and there were none in the other. I appreciate that, Sir, but it only serves to throw up into relief that the fact is that these changes of fares have come about in such a short time and before there has been, in my submission, any opportunity for them to settle down.

That follows from the fact that it has been found necessary at these fare changes, to introduce discounts for discounted yields, which are not, if I may remind you, the reflection of the moment, showing the impact on the public, but the evened out estimate of the long-term results from the new fare. It is inevitable, in my submission, that when you have one of those increases and discounts, followed within the space of a year, 18 months, or whatever are the particular dates in this case, by another increase at the end of a three-year period, or a three to four year period, including the two changes in the actual fare we know, and the one change in the neighbouring fare that we know, it is inevitable, in my submission, that there has been a swing away from the 50/50 position from which we started in 1950. Indeed, it is impossible to deny that, I should have thought with respect to the other side, without abandoning the whole structure, or the whole basis, of these discounts, because the approach would have to be quite different.

The approach would have to be, would it not, on the basis not of an evened out discounted yield which is expected to be the level of revenue, shall I say, until further order; but you would have to approach it in this way: Experience has shown that the reaction of the public is limited to a few weeks or a few months; we expect a drop of so many thousands to cover that impact; after that we shall be back to where we were before, and we can estimate our yield on the preceding receipts. That was allowing for no other additional cost of loss

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of revenue which there may be; but once it is assumed that the proper way of dealing with increases of fares is to have these discounts for yield, when you get two or three of them one on top of the other, you must get a swing away from the 50/50 apportionment.

I cannot give you the precise degree of it, Sir; we have done our best, and it may be that we went too far—that 50/50 is overdoing it; but it is equally clear that to come here and say, in 1954, that it is still 50/50, is overdoing it the other way. What the true figure is, no one can measure, and the very shadowy—because shadowy it was—evidence of samples taken at the end of last year and at the beginning of this year, is not, in my submission, of any assistance to you; we should want to know a great deal more than we have been told, and it is certainly not my business to ask for the details about those tests before you could, in my submission, use them as a firm foundation for a view of revenue. If they are at all right, it looks as though not only am I wrong in suggesting a 40/60 split, but that Mr. Valentine is wrong in suggesting a 50/50 split, and that perhaps it should be a 60/40 split—the other way round.

(President): Of course, Mr. Lawrence, it is not impossible for both of you to be wrong.

(Mr. Geoffrey Lawrence): No, Sir, of course that is not impossible. So far as a precise estimate of the split is concerned, I would readily admit that we are both wrong. I do not ask you to accept precisely 40/60, and I cannot say that the other is right; all I can say is that a 50/50 apportionment cannot be right. Suffice it to say that it is sufficient to tip the scale in 1954, so far as revenue is concerned, into an area which is adequate for my purpose. All I can say is that that 40/60, 39/61, or whatever the right figure is, it is of that area, or of that order, and the restrained revenue of £34m. which is shown in Table LCC 214 from a 40/60 split is a sufficiently firm figure and about as near as you could possibly get as a basis for estimating whether it is safe or not to introduce this 3d. fare for three stages—because that, Sir, is the problem we are examining, and that is how we came to look at the question of splitting this 3d. fare.

As I have conceded, Sir, if to do so would hazard, and seriously hazard, the finances of the Commission, then, appearing for a responsible Authority as I do, I could not possibly ask the Tribunal to do it.

(President): The difference is really considerable. I have LCC 214 before me now; the calculations which are put forward by the London County Council are limited to the central road services?

(Mr. Geoffrey Lawrence): Yes, Sir, they are.

(President): And we have no calculations for the other services?

(Mr. Geoffrey Lawrence): No; but there I am in company, I think, with the Transport Commission, who have universalised the matter in their view. In other words, both of us have taken samples, and have applied them universally.

(President): Yes; each side selects the principles of the others and rejects those which are inconvenient. I am afraid we cannot take that highly selective course, very easily.

(Mr. Geoffrey Lawrence): But you will not be selecting the course from one side of the room as opposed to the other; you will be weighing the effect of both.

I can only assist you by putting forward the best case we can; we have never suggested that Mr. Valentine is always wrong, and I am very happy to acknowledge the cases when we think he is right!

(President): Very well; we will adjourn now until 2 o'clock.

(Adjourned for a short time)

(Mr. Fay): May I, with my learned friend's permission, have your consent to correct some figures which I put to Mr. Karslake yesterday, and which, as a consequence of consultations which I invited between him and those instructing me, have turned out to be wrong figures?

The material portion of yesterday's transcript is Page 302, and the matter is in regard to the corrections I was suggesting to his Table LCC 314A to take into account the shift from ordinary to early morning fares. You will recall, Sir, that at the bottom of the first column of Page 302 I put to him some revised figures which I suggested should appear in relation to the 3d. in that table. His table needs correction, as I understand is now agreed between Mr. Karslake and those instructing me, but not to such a high degree as I suggested.

(President): This is 314A?

(Mr. Fay): In the transcript there appear a number of the figures which I put, and I propose now to give you the correct figures, and not only correct, but agreed.

In Question 4494, 3rd line, I put a figure of plus 0.6 per cent.; that is wrong, it should be minus 4.9 per cent.

Two lines further down in the same question, I put a figure of minus 3.1 as being the total at the bottom of column 8; that should be minus 3.6.

In the same Column, the third from the last line, I referred to a figure of plus £6,475; that should be minus £58,865.

In the first line of the second column of that page of the transcript, the figure given of £381,911 should read £441,251.

In the third line in that column when I was answering you, I gave the figure of minus 3.1, which is again the same figure, minus 3.6.

I do apologise for having put inaccurate figures to the witness.

(President): Those are agreed correct figures?

(Mr. Fay): Yes.

(President): The figures you would have put if you had known what the correct figures were?

(Mr. Fay): Yes.

(President): There has been a dearth—I am saying this generally—of suggested corrigenda of the transcript. If there are any which have occurred to anybody and have not been sent in, they ought to be sent in as soon as possible.

(Mr. Geoffrey Lawrence): I am grateful to my learned friend for those corrections, and am pleased to note that fallibility is not confined to my side of the room!

The next topic on which I would desire to make a few submissions is the third topic of difference between the parties on the financial aspect of the introduction of the 3d. fare, and that is the matter of discounts. There the rather unusual position has arisen of the London County Council deflating their estimated yield on the scale by larger discounts than those taken by the Commission, and substantially larger discounts, as you know.

The position arises because, of course, as we said when you heard the main application, we took the view that the discounts taken by the Commission were too optimistic, and therefore it was only consistent with that view that when we came to deal with the yield from a revised scale we should give effect to that view by increasing the discounts. Again, it is possible that we are both wrong, that neither figure is the accurate figure or commendable figure to the Tribunal.

I would only pause to point out that although I am conscious that it may be another instance of picking and choosing, if the discounts which the Commission have put forward are adopted, it adds another £273,000 to my estimated yield from the new scales, and therefore more than redresses the balance against us, which Mr. Karslake admitted yesterday might come to £100,000 or thereabouts, on corrections which should be made to his Table 313A, B and C; and there is also some margin still left for any further corrections which might be the consequence of the line of questions which you put to him at the sitting of the Tribunal this morning.

Of course, all that is, I will not say manipulating figures, but it is adjusting them one way or the other, and it leaves untouched my main submission that, on a realistic approach to this question of dividing the relevant fares, the proper way to look at it is an unequal division. I do not desire to go back upon the discounts which we selected after mature consideration; I am only pointing out that if we are wrong the Commission may be wrong also and if the Commission are right, then there is something to inure to our benefit.

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(President): Mr. Lawrence, have you LCC 214 in front of you?

(Mr. Geoffrey Lawrence): Yes.

(President): I am right in supposing that the figures in line 5, showing the result of taking a 40/60 division instead of a 50/50 division, are applicable to the County Council's scheme as well as to the Transport Commission's scheme, am I? Or, to put it another way, do the figures in line 6, the total London County Council figures, include these differences shown in line 5? Do you understand the question, Mr. Lawrence?

(Mr. Geoffrey Lawrence): I understand the question, and as I understand the table they do so include those.

(President): I had so read it.

(Mr. Geoffrey Lawrence): Yes, I think so.

(President): In other words, to make it quite clear, to take the first figure in line 5 for the railway ordinaries, the difference in money between taking a 40/60 proportion instead of a 50/50 proportion, is £72,266, and that £72,266 is part of your figure in line 6 for railways, £516,924.

(Mr. Geoffrey Lawrence): I think it is right, and I receive nods of assent from those advising me.

(President): I thought it was, and it is possible, of course, just reading the table as it stands, to think that those figures in line 5 only are applicable to the British Transport Commission's tables.

(Mr. Geoffrey Lawrence): I follow that.

(President): But they in fact form part of your scheme figures in line 6?

(Mr. Geoffrey Lawrence): Yes, I think you will see that is so on LCC 312. In line 4 that contains the total in the ninth column of line 6 of LCC 214.

(President): Yes. £3,286,000 is the same figure there as in the total of line 6 in LCC 214.

(Mr. Geoffrey Lawrence): Yes.

(President): I am much obliged.

(Mr. Geoffrey Lawrence): That would be a convenient introduction to that last topic on this part of the case, and that, Sir, is the recovery of lost traffic at £3,286,000 odd, and we are still some £300,000 short of the figure prescribed in your Decision. Therefore there is that gap to be bridged before I can suggest for your favourable consideration that this scheme is workable.

I do not want to go over it again; the evidence is very fresh in your mind, but it must be obvious, I would submit, that the introduction in the year 1954 of a 3d. fare, which is something which the public have not had for some little time now, would result in increased travel at that fare in the optional region. It has always been part of the case for the London County Council, as I understand it, that there is a distinction between optional and essential travel, and a complaint has been made in the past that the attack has been made on those parts of the travelling public which are least able to retaliate by withholding their custom. But, of course, there has always been and must be on ordinary road and rail services in the metropolis, a substantial number of persons to whom at various times in the day travel, certainly on short journeys, is optional. It would seem possible, as a matter of first impression, that to suggest £4m. extra revenue is to come back from a class of person which, at the moment, is not travelling at all, is an overstatement of probability.

One can play about with figures. I respectfully suggest that the prospective loss of £1m. through uncollected fares, a topic about which I can say something in a moment, is an instance of playing about with figures; but if I put it this way, that on the figure of 40 million trips, or 41 million trips, which is a figure which was mentioned in the course of the last few days by Mr. Valentine, I have only to find on each one of those trips but one new passenger paying a 3d. fare to realise £4m. extra revenue.

Stated like that, I would venture to suggest that the proposition is not so unlikely as it might appear at first. Nor is it so unlikely when it is viewed, as Mr. Karslake sought to view it, against the background of loss, total aggregate loss, of yield in this very fare category, which comes from the British Transport Commission exhibits, of just over £1m. £1·07m.

I am not suggesting that the whole of that will be recovered, nor, if I may make this quite clear, am I

suggesting that it will all come back rapidly. The habits of the public have altered, on my premise, in the optional region, and they will not all come back at once; but over a period of time, it is impossible to say how long, but certainly over a period of time I would venture to suggest that the 3d. fare will be found, and increasingly found, to meet a popular demand, and therefore will command an increasing income. £4m. sounds—and in fact is, in isolation—a lot of money. So is £342,000; Mr. Valentine mentioned that figure. Of course, one sometimes forgets in dealing with figures of this kind and for the purposes which both he and I have been using them, that those are the mere ripples on the surface, so to speak, of the finances of London Transport as a whole.

The revenue of £70m. puts a figure of £4m. or less in a slightly different perspective. Mr. Valentine can translate his figure into terms of 1d. passengers escaping proper payment, and I can translate my figure, as I have done, into the one extra 3d. passenger on each bus trip; each for our own purposes, but if there is any use or profit to the Tribunal in putting forward such figures at all, then it is at least, in my submission, as useful to analyse the prospective recovery, as we put it, of £4m. in that way, as to make gloomy prognostications about something of the same order of loss in another way, if that fare and its consequential fares were introduced in a new scale.

It is not a matter, Sir, which I can improve, I think, by detailed submission. It must either have appealed to you or not. I would in any event strongly submit that the figure for increased traffic which is allowed by the Commission and is contained in Line 2 of Exhibit LCC 214, is quite unwarrantably low. It is really a negation of principles upon which they have worked when they have put up fares and then applied what they think were suitable discounts of loss. In fact it is an insignificant figure altogether, to be described as increased traffic.

Of all the topics I have had to discuss on the financial aspect of the matter, I suppose this recovery of lost traffic is the most speculative. I do not shrink from that; it must be speculative.

(President): There are degrees of "speculative"; "speculative" in the sense that there are no tables from which one can contrive a guide?

(Mr. Geoffrey Lawrence): When I use the word "speculative" I do not mean it in a derogatory sense at all. It is a matter which is incapable of precise quantification because there are no materials upon which you can do it at all. It depends in the last result upon your view of so many imponderables that we can do no more than point to the figures of anticipated loss that have figured in the statistics so far, and suggest with respect that the reintroduction of a 3d. fare will bring back a substantial part of it, but how much I do not pretend to be able to say. The figure of £4m. is an extremely round figure, but that it is a good deal more than allowed for by the Commission themselves, in my submission would be a safe assumption.

(President): It is really the converse, is it not, of the argument as to what is lasting effect of an initial drop-back?

(Mr. Geoffrey Lawrence): Yes, it is.

(President): The question there is, "Well, will people not revert to habits?" The question on this issue is whether people have changed their habits for so long that they will not change them back.

(Mr. Geoffrey Lawrence): It is.

(President): It is the same speculation. We shall be calling a psychologist, I think, some day!

(Mr. Geoffrey Lawrence): The same speculation in reverse, and of course all of the considerations which are prayed in aid in one way, another topic can be prayed in aid by the other side the other way. You may think the proper line is somewhere between the two. A very nice balance has to be found, and I regret very much I cannot suggest what the balance is, because we are lacking in the figures. Only experience would, in fact, show what they are; and although I do not make it part of my suggestion at all to the Tribunal, it is at least an interesting project that was put before you this morning, that some sort of pilot scheme should be initiated in order to test these very matters, to see whether we could not get something which would form a firm basis for more universal application.

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I do not think I can assist any further, broadly, upon the financial aspect of the matter. If I ventured to take the argument further I should be going into a lot of detail with which the transcript is perhaps already overburdened.

(President): Your real difficulty, is it not, Mr. Lawrence, is that if the whole or the greater part of this gain by the alteration of proportions goes, you cannot make up a figure of £3·6m?

(Mr. Geoffrey Lawrence): No, I cannot. I think I conceded that at a very early stage when I said to Mr. Valentine that a 50/50 split was absolutely critical and that if it remained at 50/50, then that was really the end of the 3d. fare.

(President): Even if it is something less than 50, they are going to be on a very slippery slope. You see you gain, by the alteration of the proportions, £637,000-odd, and that is £637,000 out of your £3,140,000 without the increase of traffic point.

(Mr. Geoffrey Lawrence): Of course the alteration of the proportions by even 1 per cent. has an appreciable difference on the result.

(President): I have not worked it out. I do not know whether I should not have to go to Lyons' "Leo", to work it out for me. But the substantial part of that £637,000 would reduce your estimates to such a fine point that it really would be too hazardous altogether to introduce this quite considerable change.

(Mr. Geoffrey Lawrence): Whether it would be too hazardous or not is a matter of course for your decision. I should venture to suggest respectfully that if (as I am bound to concede) the matter is left without precise figures because nobody knows what the precise split is, at any rate if you were satisfied that it had veered away substantially from the 50/50 basis, the hazards (when judged against the whole background of the emergency which has brought this Scheme into being as a mere stop-gap Scheme; and you must not forget that because you will be faced with another one next year, apparently, or you may be) that the hazards will not really be too great to be put to the test, at any rate for a time. There is nothing permanent about these schemes, as we know.

(President): What I was suggesting to you was that if the figure of £637,000, or a substantial portion of that, is deducted (in other words, if their proportion of 40/60 is substantially wrong, even if it is not wholly wrong as compared with Mr. Valentine's) then, to put it colloquially, you are down, are you not?

(Mr. Geoffrey Lawrence): Yes, I face that.

(President): I think it must be so. That, at any rate, is arithmetical, providing one has an idea in one's own mind of what is "substantial."

(Mr. Geoffrey Lawrence): I hope you will not ask me to make a submission on that. It was realising the importance of that that made me devote the first part of my address to the financial picture.

(President): We are now on the practicability?

(Mr. Geoffrey Lawrence): That is a matter which I find, if I may say so frankly, extremely difficult. I suggest, with great respect to the Commission, that if I were over the first, the financial, fence the hurdle of practicability is not one at which I ought to be brought down.

There are so many combinations of circumstances that arise in the course of a bus trip through Central London, that I find it difficult if not impossible to isolate for description the experience of any given conductor on any given route, and the method in which he has to look after his task. I suppose I may be permitted, Sir, to make my observations on this part of the case against the background of the experience which we all have as travellers on the buses in Central London?

(President): Certainly, you can do that without going into the Chair.

(Mr. Geoffrey Lawrence): It is all very well to talk about the ideal function of the conductor to get round his bus completely between each charging point but, of course, I think it is conceded that that is an ideal which is rarely achieved, if ever. It must depend upon the varying traffic circumstances on the route.

If I may be allowed to say this, in accordance with the experience of us all, I have had the misfortune sometimes to travel on a bus whose rate of progression was so snail-like, with obvious deliberate intent, that there was ample time to collect all the fares many times over. Equally, there are times when the bus, by the volition of the driver, and the favourable circumstances of traffic lights and other traffic, will cover a half-mile stage in extraordinarily rapid time—

(Mr. Harold Willis): And take you past the place at which you meant to get off!

(Mr. Geoffrey Lawrence): Exactly—when there is plainly not time to get round a fraction of the bus of 50 to 60 persons, probably with five or less standing, and collect their fares.

What I submit happens, on the evidence and as a matter of experience, is that the rate of perambulation round the bus is the maximum in all the circumstances as is dictated by those circumstances and the capacity or willingness of the conductor himself. In other words, at present they are doing the best they can. Sometimes circumstances enable the task to be discharged with ease. Sometimes the circumstances are such that the task is impossible of achievement, even with the present fare-scale structure, or, to put it another way, that whichever fare structure is in operation, the existing or the one suggested, what I have called the rate of perambulation by the conductor round the bus would be more or less constant, and the question is whether, at that rate—whatever it is in all these circumstances—the single-stage method of charging would put on him an excessive burden. I would suggest, with respect, that it would not. That it would be an extra burden is undeniable. What the Commission say is that it is an extra burden of such magnitude that really the present system (which is adequate) of fare collection, would break down. That, in my submission, is overstatement of the case.

It must be, in the crowded conditions under which the buses operate both in Central London and, according to Mr. Valentine outside, that great reliance must be placed on the honesty of the travelling public. A conductor either accepts the proffered monetary fare without question, or asks the passenger what he wants and gives it, and there is an end of it. The initiative is really in the passenger to make an honest and true, if he knows the fare, statement of what fare he wants and not travel beyond that distance at either end of the journey.

It is further complicated, of course, by the ability of passengers to get on at intermediate stops between fare stages, but that is a complication that must affect any fare scale as long as the public are allowed to do it.

You introduced, Sir, the bogey of increasing dishonesty on the part of the travelling public once the door was even slightly open to it, and a picture was drawn of the infective corruption that would spread from bus to bus. Again, with respect, that is an overstatement. That there are malefactors on trains, buses and tubes we all know. But in my submission, the bulk of the travelling public is honest; it would co-operate with this new fare and would help the conductor. That there would be some loss is probably right; but how much, it is impossible to say, because we are in the realm of playing about with figures. In any case, it is only part of an unrealised potential, nobody knows how much is unrealised at the present moment. It is extraordinarily difficult to quantify any additional figure, just as it is quite impossible—and admitted to be impossible—to quantify the loss which occurs through uncollected fares or overriding or undercharging, or whatever it is at the present moment.

(President): The disposition of my mind, which may alter when I have heard Mr. Willis of course, is that there will be an addition to the uncollected revenue; that there are no materials on which one can safely quantify that additional uncollected revenue, however, is apparent.

(Mr. Geoffrey Lawrence): I would, if I may say so, respectfully accept that position because, again with respect, it is obviously true. It is a bogey. The figure of £342,000 was one of those minatory figures that are put in front of the Tribunal in circumstances like this with no real basis for them. Experience alone would show what the result was. We know that these single-stage charging schemes are in operation in congested urban

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areas elsewhere in the country. I am not entitled to say more than that they are in operation, because there is no evidence of what the result is and what revenue is lost or is not lost as a result. It is perfectly true that this system of single-stage charging is at the moment alien to the Metropolis. It is perfectly true that the Commission and its predecessors as a matter of history have set their faces against it for many years. But that is not the same as saying it is unworkable or that in the present circumstances, against the present financial background, it would not be a proper thing at any rate to form the subject of an experiment, a justifiable experiment.

(President): It may be that the right view is that in a doubtful matter the opinion of the Transport Commission on a question of management should prevail.

(Mr. Geoffrey Lawrence): Yes, Sir, I appreciate that; I appreciate the force of that submission, which has already been made in the form of questions by my learned friend Mr. Willis. It is equally fair, I hope, to observe that on a matter of that sort, it is not only possible that they may be mistaken, but also possible that events might prove that they were in fact mistaken. I should be in a weaker position than I am in today if I was urging the adoption of a single-stage charging system in a time of financial prosperity when the finances of the Commission were not as they are now, and when there was not the tendency, the inevitable tendency, of raised fares to increase inflationary demands all round. If there is relaxation and not tension in financial circumstances there is no need to ask for the introduction of revolutionary experiments. But at the present moment, Sir—I am not in a privileged position to know what it was, of course, that was in the mind of the Tribunal when it put forward the possibility of a 3d. fare for argument at this Inquiry—

(President): I can put you in the privileged position, if that be the description, at once. The matter has been ventilated on more than one occasion. It was ventilated at the earlier part of this Hearing; it is obviously a matter which has been in a large number of persons' minds for a large length of time. We thought it desirable that it should be more fully ventilated, and the way in which to get it more fully ventilated was to make it a specific issue.

(Mr. Geoffrey Lawrence): And I would only add to that, the fact that it has been in so many people's minds is an indication that it is not a wildcat scheme and the circumstances are such that it calls for introduction if on its merits it is justifiable. Of course, if it is not justifiable on its merits, that is an end of it.

(President): We get, of course, and we do not circulate, a number of letters from persons who have not appeared, and could not appear if they wished to do so. I ought to make it clear that we do not circulate those; but we read them. I think the latest I received yesterday was from someone who suggested the solution was a 2d. minimum, 3d. for the three stages and after that 6d. for all other stages, calling my attention to the fact that on the 2d. tube when it was first introduced there was a flat fare of 2d. but not apparently calling my attention to the fact, or not apparently remembering that that admirable system, which I well remember, was fairly quickly abandoned. There is a large number of ideas about a reshaping of the fare structure, and I suppose we receive a representative sample of them.

However, that is the disposition of my mind on the practicability point; it is that there would likely be an increase of uncollected revenue, but that it is quite impossible on the material before us to put a figure to that additional loss.

(Mr. Geoffrey Lawrence): And, if I may add to that, it would be an addition to the amount of uncollected revenue which would be steeper in the initial stages, no doubt, than after the scheme had been in operation for a while, and the working staff had become more accustomed to it.

(President): Yes, I think that would be true. There was a good deal of discussion upon the topic of the conductors' memory. Mr. Valentine administered a gentle rebuke to me for trying to lead him into a Socratic dialogue on the philosophic nature of memory; he was quite right. One neither wants to be too metaphysical nor too psychological at these inquiries. In my submission it is the addition of a certain number of journeys that the conductor

has to know, as it were, by heart; it is really no burden to an ordinary intelligent conductor because what he is accustomed to are the features of the route which he is working, and he works it progressively from A to Z; and if there is an additional number of introduced features in the balance of his journey, he will easily add those to his automatic reactions in the light of his experience as he goes along. In other words, it is a matter over which one may make too much of an outcry, and it is very misleading to say that whereas a man can remember a 100 things with ease, he cannot remember 150 things; it depends entirely on what you call upon him to remember. Anyone of us would find it difficult, I suppose, to remember and recite 50 pages of *The Critique of Pure Reason*; we should find it much more difficult to remember 75; but if there are natural ordinary things which we pass, look at and know as a matter of routine in our every day lives, we find we have added to our store of knowledge without any conscious effort of the will at all. It may be that I am doing the very thing now that Mr. Valentine suggested I ought not to do, and therefore I will not say any more, but it was necessary to say that much, in my submission, to dispose of the submission that if a man can remember 100 things with ease, he cannot remember 150 things.

Lastly, may I add a word or two on the matter of season tickets? You have already received submissions as to whether you should consider the second addition to the charge of season tickets at all. I only want to add that, of course, it is within your legal capacity to do so, and I do not submit to the contrary. Of course it was open to those local authorities who are not among the objectors here to have objected at the time and thereby to have protected their position today in the matter of the modified scheme.

May I say that I would with respect submit it is undesirable for a number of reasons that alterations of substance by way of additions to fares should be made when no public advertisement or notice of those increases was made at the time when objection could have been entered to them, contrary to a general principle. If the answer to that is, "Well, you should have come in at the time, because the Tribunal has the widest jurisdiction over the matter", is that not, Sir, if I may put it in the form of a question, also undesirable, and for the reason that it would result in a number of local authorities feeling it their duty in these schemes to enter as it were anticipatory objection, not because they find anything in the published scheme objectionable, but for fear that in the course of its investigations it might undergo some metamorphosis in some particular connection which would be highly objectionable. Therefore when you opened any future inquiry on the first day you would find the room thronged with people who were not objectors but only anticipatory objectors.

(President): Of course they need not go to the length of instructing Counsel or indeed sending their Town Clerks. They could put in a document, whether they like to call it an objection or representation, saying that they did not raise objection to the published Scheme, but would wish to be heard if any departure, upwards presumably, were to be contemplated either on the motion of another objector or of the Commission, or in the minds of the Tribunal itself, could they not?

(Mr. Lawrence): They could.

(President): I agree it would be most regrettable if the practice were to obtain every urban district council with a population of 40,000 attending on the first day. But I think we all appreciate the point about the discretion as a matter of principle.

(Mr. Geoffrey Lawrence): Of course. No-one had yet put it in that way, and I ventured to draw your attention to that practical possibility.

(President): The 1952 Scheme was a different proposition. There, there was a very large increase of wages occurring after the Scheme had been lodged and after we had begun to inquire. It would have been quite futile to have ignored that and propounded a Scheme which had no relation to the amount of revenue which was obviously required. However, we have that point; I realise it might seem to a large number of people rather harsh.

(Mr. Geoffrey Lawrence): The only other observation I want to make about season tickets is that so far as the target figure of £3.6m. on London Transport is concerned,

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neither the original nor the subsequent addition to the rates of season tickets is required in order to produce that figure.

(President): It is only £22,000; it is neither here nor there.

(Mr. Geoffrey Lawrence): It is neither here nor there, and it is only the consequence of what is done with London Lines which itself, is only a consequence of having attempted to save the £700,000 featuring in your decision on the higher ranges of ordinary and early morning fares.

(President): But we have no assistance from you on those, on the proportionate treatment of the ordinary fare scale on the assumption the 3d. point is no good, have we?

(Mr. Geoffrey Lawrence): My case has been the 3d. scale and only that. I can conclude, I think, Sir, by drawing your attention, if your mind was at all evenly balanced as between the two, to the relative merits of the two modified suggestions by themselves. I do not suppose the Transport Commission themselves feel very happy with their modified Scheme or indeed very proud of it. It is unbalanced; it involves the steep and, I submit, objectionable, 2d., 4d., 6d. jumps in the lower fares, with a quite unrelated, I would suggest, taper in the higher ranges as a result of reducing the fares there. It results in increasing the degree of disparity in season tickets between the London area and British Railway, and it is not, to put it generally, a tidy Scheme at all. The 3d. Scheme, if I may call it that, is one of the tidiest scales that could possibly be evolved, capable of easy comprehension, and I would submit, easy working; a minimum fare of 2d. and a 1d. rise per stage up to 9d., a jump to 11d. and then a taper, with season tickets left as they are, on a parity with the railways outside London. I do not suppose, if I had justified the case on financial and practicability ground, it is at all open to criticism as to structure. As a Scheme it has much to recommend it, and before you reject it, Sir, I would respectfully ask you to look at it from that angle as well as from the others.

There is one other matter which is unconnected with what I have said which I would like to raise. My learned friend made a reference, I think on the opening day of this Inquiry, to substandard fares, and indicated that if the Scheme as submitted was approved there was no intention—I am paraphrasing the words—of altering the substandard fares. The Scheme has not been approved as submitted, and for my clients I would submit that the Commission should be invited to state unambiguously before this Inquiry closes what their position and intentions are with regard to substandard fares in the events that have happened.

(Mr. Harold Willis): May it please the tribunal, I think it will be convenient in this reply, which I hope can be quite short, if I were to say a little first of all in regard to the 3d. fare. My learned friend has indicated to you that there are two objections which have been raised to the 3d. fare, the practicability point and the financial point. I propose to reverse the sequence which my learned friend adopted, but before doing so may I just say that it is desirable in the view of the Commission, and it has been from the public point of view, that this question of the feasibility of the 3d. fare should have been so fully discussed at the public sittings of this Tribunal.

Of course the question for the Tribunal will be: What are the proper conclusions to draw from the very full discussion which has taken place?

As I said a moment ago, there are two features of objection here to the 3d. fare proposal which have taken up a great deal of time, and dealing with the practicability point first, may I at the outset say that the question of a fare structure and the question as to what particular kind of fare structure is appropriate in a public transport undertaking is, in the submission of the British Transport Commission, really essentially a matter for them as the managers of the undertaking, and we conceive that it was the intention of Parliament, in the Transport Act of 1953, so far as possible and within the limitations laid down in that Act, to give to the Transport Commission that freedom of action to manage their undertaking in the way they considered best. It is therefore, in my submission, a proposition which would require to be established to the fullest possible extent if it is to be suggested that a proposal for a fare structure,

which is in direct opposition to the views of the Transport Commission, should be imposed on them against their will.

(The President): In a sense, of course, nothing we can do can impose on the Transport Commission a single stage structure. We can put figures in a maximum scale which would enable the Commission to have a single stage structure, but we could not force upon them the adoption of that course.

(Mr. Harold Willis): I think that is right, Sir.

(President): But you would lose money if you did not.

(Mr. Harold Willis): I think the answer is that certainly in the form in which the scheme is put forward in this Application, the matter could be dealt with indirectly by the Tribunal in such a way as to make us do it, but what I was endeavouring to call attention to was that it was certainly not the intention in the 1953 Act that that sort of result should be brought about, and of course had we adopted what we should have been quite entitled to adopt as a matter of law, merely to have submitted one maximum charge or one maximum fare in London without any elaborate schedules, the matter could clearly not have arisen.

The London Transport Executive and the British Transport Commission have, as you have heard, not only for the purposes of these adjourned hearings but on a number of previous occasions, considered this question of the single stage charging; they have considered it as prudent managers would be bound to consider it from the point of view of whether the introduction of such a scale would increase the efficiency of the undertaking. Having considered it and bearing in mind that certainly for the purposes of your decision there were, or there might appear to have been, certain obvious advantages in doing it, had it been practical, nevertheless they have reached the quite firm and definite view that this proposal is impracticable, and as the evidence on this matter is, I am sure, quite clearly before the Tribunal, I do not propose to deal with it in great detail. But what I do propose to do is to take out what I conceive to be the really salient points.

The point on which the Commission feel the greatest anxiety is the risk involved in this proposal, of increasing the under-collection of fares. When my learned friend Mr. Lawrence was addressing the Tribunal, you expressed a view that so far as you saw the matter at the moment, there could be little doubt that there would be some increase of that, but that it was not possible to feel any certainty about the resulting figure. That figure of a minimum of £1m. which we have put forward in our Memorandum, and which Mr. Valentine spoke of, was of course not put forward as a figure which we felt in a position to prove as a figure with any precise degree of accuracy. In essence, of course, such proof could never be forthcoming. It would always be bound to be a matter of estimate, and in my submission that must inevitably be so.

The question which arises then is this: Although you cannot be precise, nevertheless if you accept some additional loss, it is pertinent, in my submission, to try and see what sort of loss—what sort of figure—one is talking about. It might on the one hand be considered a waste of time to consider this aspect of the matter, if the view of the Commission was that the extra loss would be of the order of £40,000 or £50,000 a year; it would not be worth discussing if that were the position. Conversely, if it were a figure of the order of £5m., a year, it would of course produce an entirely different impact.

But the view I would respectfully put forward is this: Mr. Valentine and the London Transport Commission have of course had a great deal of experience of this matter; as they told you, it has not been possible to put before this Tribunal any firm estimate of the loss which we think goes on to-day, at least, not a figure which is sufficiently precise to be capable of being so put forward. But in considering what is likely to be the effect of, as my learned friend admits, this additional burden on the conductor and this additional risk of under-collection, it is significant to have a figure like this figure of £342,000, which my learned friend sought to decry, in one's mind, because it does give one at least some means of approaching the problem.

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If one has no idea as to how much is the monetary effect of losing one minimum fare on one trip, one has no yardstick at all. That figure was merely put before the Tribunal as a means of judging what degree of deterioration in fare collection was involved in this estimate of £1m., and as you see, it is not a very big deterioration in fare collection which produces that substantial figure. That is how I desire to relate this to the monetary aspect.

(President): If there be any big further under-collection, you mean?

(Mr. Harold Willis): At this moment I am dealing only with the additional degree of under-collection that would result from this. The existing under-collection which exists in London and which exists, as Mr. Lambert agreed, outside London as well, is something which I say we find difficult to quantify with precision, and admittedly, if we find it difficult to quantify the existing with precision, equally of course we find difficulty in quantifying the added under-collection with precision, and we have never sought to give a precise figure for that. The matter is put forward at this round figure of £1m. to give the sort of order of figure which the Commission have in their minds as being likely to result from this further under-collection.

Another important matter is this infection, which my learned friend spoke about. It is easy, as an advocate, to treat a suggestion like that in a light-hearted, perhaps sarcastic way, but is not the true point that this is something where there is a great deal more in the point than that which my learned friend has suggested? I quite agree that the bulk of passengers are honest, but we have to have regard to the dishonest ones, and we have to take great care that the ranks of the dishonest or the *quasi* dishonest (and there are some who are not very deliberately dishonest but who are not sufficiently deliberately honest) are not increased in number as a result of this.

The view of the London Transport Executive and of the Commission, is that if you do introduce a system which will, as we think, have the inevitable consequence of increasing under-collection, one or two more people on each trip will get away with something which they ought not to get away with; in other words, that there is a risk of the matter becoming cumulative. People talk, as one knows. Someone goes to some meeting place and says: "You know, I got away with that over-riding to-day" and the other friends say: "We'll try it tomorrow" and so it goes on. I do not say it applies to a lot of people, but it need only apply to a few people to produce this progressive deterioration which Mr. Valentine referred to.

That is one of the matters which has given the Commission very grave anxiety, and that risk of the £1m. and the risk of more than £1m. is one they feel they certainly cannot, as managers, possibly contemplate accepting. One has to have this in mind: If we were to accept a risk of that kind, and we were shown that the risk was there by events, the people who would suffer would of course be the mass of honest people, because they would have to have their fares put up to make up for the money we lost by that hazardous experiment.

I would like to emphasise this point as well. As you have heard, this is not merely a headquarters view about practicability. As Mr. Valentine told you, this is something which has been discussed with the operating managers and with the conductors themselves, and with the people who train them, and it is a view which, having been so fully examined and explored, is a view on which the Commission are perfectly clear.

Against that evidence called by the Commission, all we have, on the other side, is the evidence of Mr. Lambert. Mr. Lambert, experienced as he may be in running certain undertakings, certainly did not give, I venture to submit, the impression in the witness chair of having any very full knowledge of traffic conditions in London. He did not really understand, if I may say so with all respect to him, how the two-stage system really worked. Furthermore, and this is perhaps the more important aspect of the point I am putting, he did not seem to appreciate the amount of traffic that gets on the London buses at intermediate points.

Of course in a municipal undertaking one knows perfectly well the bulk of people come to the central bus station in the middle of Manchester, for instance, at the peak times. They get on and take their sixpenny or sevenpenny ticket, and are taken home. That is the bulk of the traffic; no doubt some get on at other points, but by far and away the larger number gets on in that way. But that is not what happens in London, mainly at any rate. In London, as the services go through, there are constant successions of points all along the routes where there is this surge of passengers on and off, and that is taking place, not at one point, but at a very large number of points all through the route, and it is the capacity to cater for those surges of traffic and that constant turnover of traffic, which is the important point from the conductor's point of view.

It is on those occasions that there is this risk of under-collection and it is where, in the view of the Commission, the danger lies if this single stage charging is introduced.

May I just summarise the practicability point in this way, because I submit that the real test is that, this being a matter of management, it should be left to the Commission for their decision. But the argument which my learned friend is asking you to accept comes to this, that notwithstanding the clearly expressed view of the Commission you ought, so far as is possible within the limits of the proposals of the Scheme which is put forward, to endeavour to compel the Transport Commission, against their will, to introduce that particular system. I submit that you would require the clearest possible evidence, before accepting such a suggestion, that the Transport Commission were clearly wrong in the view they had formed.

One does not often in these cases have to refer to onus of proof or matters of that kind, but I venture to submit, in a case of this kind, where my learned friend is seeking to ask you to over-ride the views of the managers, that the Tribunal would say: "In any event we will not contemplate, and cannot contemplate, doing that unless we are perfectly satisfied that those views are wrong." The mere fact that the Tribunal might not agree with every point which is made is not, I venture to submit, sufficient at all. You have to be satisfied that fundamentally the managers who have run this undertaking for all these years are wrong.

Of course, if this single stage charging were to be introduced to-day, it would be reversing the policy which has operated in London for many, many years. Double stage charging was the rule when the London General Omnibus Company were here, and except for one or two really substantial exceptions, that is the rule, so far as we are aware, up and down the country. Single-stage charging is a novel idea, and in my submission, on the evidence which you have heard, it is an idea which ought not to be contemplated for London.

So much for the practicability point. That is really, on broad principles, the more important one, I venture to submit, from the point of view of the Commission, because this suggestion does involve, as I say, over-riding their views as managers of their undertaking.

But from the point of view of this particular case, the financial aspect, quite apart from the practicability point, is so decisive that in any event it cannot, I venture to submit, be accepted, coupled with the decision of the Tribunal given in the Preliminary document, because when one looks at the figures, quite clearly the loss of revenue from this suggestion would be very substantially greater than the figure of £0.7m. which was indicated in that Decision.

I do not propose to ask you, with all the figures so fresh in your minds, to go through them in any detail, but I do propose just to pick out one or two of the points connected with them. As my learned friend so rightly said, the crucial point on these figures was this question of apportionment, and it is the dispute on that which of course has the most significant effect on the result.

The approach of the Transport Commission has been to work on the pre-war basis of fifty/fifty, which a recent test showed to be not quite right, and that it should really be sixty/forty; but which the London County Council say should be forty/sixty. It is important, if I might just take up a little time on this, to try to appreciate the basic factors which operate in this matter.

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Apart from the effect of fare increases, there are two pulls which tend to put the passenger into one or other of those categories. If you look at the natural graph of the traffic, it would go in a straight line—progressively more travel for the shorter distances, and progressively less travel as you go along. That natural tendency, as I think Mr. Hill admitted yesterday in cross-examination, would produce roughly 40 per cent. in the top half and 60 per cent. in the lower half, because that would be the natural tendency.

What the Commission have thought is—and I venture to say quite rightly—that the natural tendency cannot be looked at in isolation, because there is another clear pull which tends to work in the opposite direction—the very human instinct of trying to get value for your money, and the instinct to get value for your money does tend to put you into the top half rather than the lower half. And the view which I have put forward, and which I venture to submit is a reasonable view in the circumstances, is that those two things will about balance out, and you will reach approximate equilibrium—half in the top and half in the bottom.

It is on that basis we have put the figures forward, and as one might expect, without tests (they were confirmed by the pre-war tests) when we looked at it again recently, we found that in putting it at fifty/fifty we were erring, if anything, against ourselves, because a recent test showed a rather larger number in the top half.

That, in my submission, was a very proper way of approaching it. The London County Council, through Mr. Karslake, have approached it through this cumulative process of keeping on adding to the figures so as progressively to reach this lower figure of forty/sixty. I am not going to take up the time of the Tribunal by pointing out all the points of criticism which could be made against that approach. In my submission, fundamentally it is a wrong approach because, as Mr. Lawrence so rightly admitted a few minutes ago, if you carry that through to its logical conclusion, you will gradually eliminate everybody from the lower half, if there were enough of these fares schemes for altering the fares.

(Mr. Geoffrey Lawrence): With sufficient gaps.

(Mr. Harold Willis): And if the gaps have not stabilised the matter.

The real answer to the whole of that approach is that it fundamentally assumes the static lot of passengers who are subjected all the time to precisely the same influences as they are on Table LCC 313A. But they are a different bunch of passengers. As Mr. Valentine has so clearly pointed out, the traffic in London is constantly changing; there is a sort of kaleidoscopic effect here—people move from one point of London to the other; new people come into London, people go out, and so on, and therefore to seek to approach this matter in the way in which the London County Council have done is, in my submission, quite fallacious.

There was, of course, the further point which came out in cross-examination yesterday, that in any event, having reached a certain percentage, they applied it to other parts of the central road services, where in fact it had been ascertained that the percentages were different; and it has also been applied willy-nilly to the rail.

So far as the central road services are concerned, the figure of admitted error there, as I understand it, is of the order of £100,000, and that must clearly go out anyhow.

We get to this position, in my submission, on this part of the case, that there is no sort of justification—and having heard my learned friend one could not help but feel that this is also the view of the London County Council now—for their suggestion of 40/60. We cannot prove affirmatively that it is 50/50; all we can do is to suggest that experience has shown to us that that is likely to be the right figure. It is impossible to be absolutely precise here, but quite clearly the figure of 40/60 has no foundation at all, and as is clear from the figures, if you once admit that 40/60 is wrong, and is perhaps quite a bit wrong, then, of course, my learned friend himself agrees that the yield on the 3d. suggestions really is quite insufficient to be a practical solution to the target set by the Tribunal.

(President): He did not go quite as far as that; he admitted that if the benefit which was said to be derivable

from the 40/60 apportionment, namely £631,000 odd, was substantially cut down, then he would be in difficulties.

(Mr. Harold Willis): Yes, Sir; he did not feel able to ask the Tribunal to accept as a firm figure the 40 per cent. or any other figure, and that is the position in which the London County Council have put the matter before the Tribunal. Of course, if we are right, and if 50/50 is about right, then we are well away from our target.

Just looking at Table LCC 214 for the moment—

(President): You mean, they are well away from the target, do you not?

(Mr. Harold Willis): Yes, Sir; we would all be well away from the target if we were accepting this Scheme. That is really what I mean to say; I am not particularly directing it to the London County Council or to ourselves.

The target could by no means be reached on that basis, because on LCC 214, if we put at the top in column 9: "Target £37m.", which is the target we are seeking to achieve under your Preliminary Decision—

(President): I am sorry to be doubtful about that, but was it not £36m.?

(Mr. Harold Willis): Yes, Sir; it is £36m. Line 3, which is what we conceive to be the result of implementing the suggestion, shows that a yield, accepting those figures just from the point of view of this argument—because I do not want to waste time dealing with any minor discrepancies in the figures; it is figures of the order of £2.2m. as the yield—is clearly miles away from the target.

The next figure, in line 4, which is on the assumption that we modified our Scheme to get the rather larger amount of revenue by the introduction of the 8d. and the elimination of the 10d., produces a figure of £2.8m., again £0.8m. below the target; and on the London County Council figures—I put it in this way in order to save time—a substantial part of the £600,000 odd that you referred to a moment ago, their figure again, disappears as an effective figure of yield in comparison with the target.

If the matter is left in that way, one is then faced with the necessity of feeling satisfied of a vast recovery of traffic, which is the next point with which I want to deal.

Before I do that, however, just concluding on the first part of this matter, in my submission, the evidence must at least, put at its very worst against me, have left you in the position of feeling that the London County Council figures cannot be accepted by a very substantial margin; that there is a very big margin of error in those figures, and if, as I submit, you should, and ought, on the evidence accept the Transport Commission's figures, the margin is, of course, so formidable as to make this quite unacceptable on financial grounds.

Then, if one looks at the way in which the London County Council have sought to bridge the gap, we come to the likelihood of this recovery of traffic. Again here there has, I venture to submit, been rather a fundamental misconception, because Mr. Karslake, in putting forward the figures of traffic lost, has assumed, in my submission quite wrongly, that the whole of that was attributable to the introduction of the halfpenny increase on the 3d. fare. Nobody, in my submission, can say, what ever the discounts which may have been allowed at various times, that when you come to realise the figures, you have in fact lost so much from one cause as distinct from others.

There are many, many other causes affecting the matter; there is the declining trend of which we have heard, and so on, and how Mr. Karslake can really feel satisfied on his basic assumption here as to what has been lost due to this, I do not understand.

But with that initial fallacy there is a much bigger fallacy in assuming that these people, who ceased to be our customers at all, are coming back again to the extent of 0.5m. extra. Here again, so far as the evidence is concerned—and in matters of this kind evidence is of value—you have on the one hand the evidence of Mr. Valentine, who has great experience of traffic, and, on the other hand, you have the evidence of Mr. Karslake,

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who has no experience of traffic at all. Mr. Karslake has expressed the view that the 0.5m. will come back again; but I venture to submit—although, of course, the Tribunal will, and can, form views of their own in regard to this matter without much evidence—that when one does look at the evidence one could only reach the conclusion that to assume a recovery to this extent is to assume something which is quite unjustified. We have accepted in our own figures certain increases, and in my submission those are all the increases we can, with any measure of prudence, be regarded as likely to be realised. One must, in making estimates of this kind, have some regard to reality, and with great respect, it is not very profitable to assume that these vast increases will come about, unless there is at least some reasonable measure of justification behind it; and in my submission there certainly is not any assurance that there will be anything like this recovery of traffic.

(President): There has to be a recovery which operates fairly early in the period of the life of the new Scheme.

(Mr. Harold Willis): I entirely agree, with respect. My learned friend, I think, felt the force of that; what he said was: This recovery may take time. We are considering, or the Tribunal is considering, the revenues of the Transport Commission for "Z" year and not for some years in the future; and if there is some ultimate recovery, the question is how much of that recovery the Tribunal are satisfied will enure to the Transport Commission during the period with which we are concerned.

(President): I never understood what you meant by saying that this was a "stop-gap" Scheme. I do not know whether you meant it was hastily put together, not intended to last very long, or was plugging a leak, or what it was.

(Mr. Harold Willis): The reason of that phrase, used first by myself and then by Sir Reginald Wilson, was that it was intended to call attention to this feature of the Scheme; it did not purport to be a Scheme which would be described as a long-term Scheme, because such a Scheme ought to have made provision for getting rid of some of the accumulated deficiencies. It was, therefore, a Scheme which we hoped would stabilise the position for the time being, and that was the reason for the phrase.

(President): Then all schemes have been stop-gap schemes. I think I recollect reading that the 1950 Scheme—of which I am happily otherwise ignorant—was described by the promoters as being an Interim Scheme, and that the Tribunal, as then constituted, did not like it and said in their decision that it was not.

(Mr. Harold Willis): I think it was an Interim Scheme, because it only dealt with one matter—London.

(President): So does this to some extent. I agree that it deals with outside London, because it repeats what is said about outside London.

(Mr. Harold Willis): The reason that these schemes are given that kind of nomenclature is that the position of prices is so uncertain that one cannot contemplate saying to a Tribunal: We regard this Scheme as being likely to stabilise, for a reasonable period ahead, the finances of the Commission. One hopes that the time will come one day when a Scheme on those lines will be possible.

(President): I suppose that if you doubled all the figures in the Schedules, it could be regarded as something more than a stop-gap scheme; there would then be a ceiling sufficient for you to carry on.

(Mr. Harold Willis): Yes, Sir, and because we have done nothing approaching that is the reason why the phrase is put before you.

(President): I do not suppose one could have a useful Public Inquiry on a scheme of that sort. All the figures—figures of the sort we have now—would be relevant: then they would be doubled to give a sufficient ceiling. But perhaps we shall have a future Inquiry on a scheme with that high ceiling, and we shall know how to deal with it.

(Mr. Harold Willis): I think that may be so.

(President): We may have it on freight, rather than passengers; I do not know.

(Mr. Geoffrey Lawrence): If my learned friend would forgive me, I have referred to the passage in Sir Reginald's evidence where this phrase "stop-gap scheme" occurs. It is on page 8 of the present proceedings, at question 13: "(Q) Can you summarise the scheme in this way, Sir Reginald, that if it is approved in its present form, it will be sufficient to prevent the financial position in the London Area from getting still more out of hand? (A) That is so. It is in essence what I might call a stop-gap scheme". Then my learned friend said: "A temporary stabiliser or something of that kind? (A) That is so".

(Mr. Harold Willis): And, of course, as I said a moment ago, the significance of it is that we are not seeking by way of extra revenue either to meet the accumulated deficiencies or to do what the Act contemplated we should do—to build something up by way of reserves.

(President): The Act contemplates not that the London Area should build up reserves, but that the British Transport Commission should build up reserves.

(Mr. Harold Willis): Yes, but I do not think for the purposes of this matter that I need pursue that any further.

(President): No, I am sorry; I led you astray by getting you to remove the doubt as to what you meant, or anybody else meant, about a "stop-gap scheme".

(Mr. Harold Willis): Perhaps I may just summarise the financial position with regard to the 3d. fare in this way, Sir: On almost any reading of any of the figures which have been put forward, whether by us or by the London County Council, the target you have set cannot be achieved by the 3d. scheme, and if you accept the Commission's figures, it cannot be met by a very large margin indeed. If you accept even a part of the London County Council's figures, it cannot be met by a considerable margin.

But the two factors together—the practicability point and the financial point—do in my submission constitute an overwhelming reason why at this particular stage this "experiment", as my learned friend calls it, cannot be contemplated.

He said—and I find it difficult to understand his argument on this—that he would be in a weaker position in suggesting an experiment if we had been in a stronger financial position. I should have thought that it would have been just the other way round; it is because of the weak financial position that a hazardous experiment which might result in loss cannot be contemplated.

But there it is; from both points of view, of course, these are most vital matters from the point of view of the Commission, and I do ask the Tribunal, when they give a decision, to give a clear indication that the arguments in regard to the 3d. fare, having been fully considered, are certainly not something which can or ought to be contemplated in London at the present time.

Now may I just say this one thing more about the 3d. fare; that is that it is quite true that 2d., 4d. and 6d. does show these gaps, and it may be that certain sections of the public feel that those will be steep jumps in the fare stages when they are introduced. But I think it is relevant to have regard to the change in the value of money, and to compare the position which would apply under the 2d., 4d. and 6d. scale, to the position which applied in London many years before the war, when it was 1d., 2d. and 3d., and when, as far as we know, there was no call for intermediate halfpenny stages. After all, Sir, the 1d. before the war was certainly as valuable as, and rather more valuable than, 2d. to-day; and I think it is a reasonable inference for the Tribunal to draw that most people to-day do treat 2d. as no bigger coin, or coins, in their pocket than 1d. was before the war. When you think of the number of things which used to cost 1d. and now cost 2d.—the bar of chocolate in the slot machine and so on—it is not without significance in this matter, because whilst initially these gaps may cause a certain amount of traffic resistance as it is called, surely the reasonable inference is that in due course, when matters have settled down, the public will not feel that the 2d., 4d. and 6d. is any more burdensome to them than the 1d., 2d. and 3d. which applied before the war. That is, in my submission, at least a

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factor to have in mind when one is considering this particular matter. I do not want to say any more about the 3d. fare.

Now may I just pass to the question of the season tickets? But before I do so, may I just say, in indicating the approach of the British Transport Commission towards the Preliminary Decision of the Tribunal, that the decision of the Tribunal did not in terms indicate any intention of reducing the yield from London Lines. There was, of course, a reference to assimilation, but there was no specific declared intention of reducing the yield from London Lines. A reduction of the order of £700,000 on London Transport, if it had had any consequential effect at all on London Lines, would, we felt, and do feel, have clearly been within the terms of the Tribunal's Preliminary Decision. Therefore, had we been able to do it in that way, we would, so we felt, have clearly carried out your decision.

When one came to examine the ways of achieving that reduction, as you have heard, we considered a variety of different ways and means, and the only way in which we could do it was a way which had these heavy consequential effects on London Lines, and as we have indicated in our Memorandum, it was, in our view, certainly within the terms of the decision that it would not be contrary to those terms if some reasonable suggestions were put forward for your consideration to meet the effect of that, after all, rather fortuitous circumstance. I do stress that, Sir, because if one is set a task of finding ways and means of producing a given reduction in revenue, it is rather fortuitous; you might happen to hit on something which will produce about that right figure, and because in the events we have only been able to do it in this way, we have felt that it was reasonable to suggest, for the consideration of the Tribunal, these modifications of the season tickets.

So far as the proposals themselves are concerned, of course they are, as any suggested modification going beyond the Scheme as deposited is, open to the point made by various Objectors that they had not had an opportunity of lodging formal Objections; but the real test of the matter is: Has an adequate opportunity been afforded generally for the examination of the proposal, and has a sufficiently representative class of Objectors been here, who can put the point of view of the travelling public generally?

In my submission, there has been a fully adequate opportunity here for the views of Objectors to be put forward. There is the view of Southend, who can be regarded perhaps as the spokesmen of the season ticket local authorities. Then there is the London County Council, who have dealt with this matter. One cannot, therefore, reach in any way the conclusion that had other people been here, there would necessarily have been a lot of new points put forward which the Tribunal has not so far had an opportunity of considering. All the significant points in regard to this matter are before the Tribunal, and therefore in my submission this point—it is a theoretical one, I quite appreciate—has not in practice any real substance.

The amount involved, as the Tribunal will appreciate, is not a very large figure in the aggregate. We are not seeking to get back anything like the whole of the London Lines loss. The total loss on London Lines is £280,000, and this seeks to recoup merely the figure for London Lines of £150,000, with a small consequential addition for London Transport of £22,000.

Looking generally at the matter, this is a point of some significance, that the London Area as a whole will, on our figures, suffer a reduction of £748,000, as compared with the yield of the Scheme as we have submitted it. These proposals, when one considers them, are, in my submission, the most reasonable that could have been devised on the assumption that it is right, in order to put the finances of the London Area as a whole into proper order—if you are going to try and do that—it is right and reasonable to seek to recover something of this order, and to put it on to seasons is, in my submission, fair and proper in all the circumstances.

You will have in mind the figures which Mr. Valentine gave this morning, which do, I think, make this point abundantly clear, namely, that the season ticket holders by and large have been rather favourably treated as compared with other classes of travellers.

If I can just remind you of the figures of the 1954 position—that is the 1954 position under our present suggestions—they are that whereas the ordinaries are up to 134.3 from 100, and the early mornings are up to 160 from 100, the season tickets are up to only 132.5 from 100. That, in my submission, does indicate, if one tries to maintain, as the Commission certainly does, a reasonable balance as between different classes of travellers, that it has produced that result.

Southend has raised objections; it is said by them that the season ticket holder represents a sitting target. From the point of view of the Commission, we feel gratified and flattered that they were not described as a standing target; but that is, of course, a suggestion which can always be made in regard to season ticket holders, namely, that they have to travel, and that they cannot avoid it. But that is not really the test. The test is: Are you in fact seeking to get out of that particular class of passenger more than is reasonable in all the circumstances? In my submission, Sir, these figures show that we are not doing that.

Southend, of course, are in this peculiar position, that they did at one time have very favourable season ticket rates, and it is for that reason that increases to them have, on the face of it, had a bigger impact upon them than they have upon some other season ticket travellers; but I do not think the Tribunal would desire me, in view of their observations in their Memorandum of the last proceedings, to reopen the question of the London, Tilbury and Southend Line. The decision was made that that should be brought within the London Transport Area, and there it is. If it is right, as in my submission it is, that if we seek to get this extra revenue we should increase it by seasons, then Southend have no greater grievance in this matter than anybody else; and in my submission no one has in fact—I was going to say a grievance—but no one has a legitimate grievance, having regard to the figures which I have put before the Tribunal.

I do not think it is right at proceedings like this, in amplification of a decision, to seek to argue the matter in any way; we are really putting forward certain suggestions for the assistance of the Tribunal, and to enable them to carry out the Preliminary Decision which has been indicated. We have put forward for the favourable consideration of the Tribunal our proposals for ordinary and early morning travellers, which have been subjected to no criticism by anybody; and we do submit that if what we have indicated is within the intention of the Tribunal, we then submit our further suggestions in regard to the season ticket rates.

I think, Sir, that that is all I desire to say in reply in these proceedings; I do not conceive that the Tribunal would desire me to take up time dealing with the point raised by Mr. Ruler in regard to facilities, and so on; I think it would be better that those points should be left in the way in which they have been put forward by him.

(President): What are you going to say about sub-standards, Mr. Willis? Are you going to repeat, in relation to any Scheme which we confirm, a statement as to the intention with regard to them?

(Mr. Harold Willis): I am authorised to say that our attitude remains as we indicated in opening; that statement is on page 7 of the opening, and I am authorised to say that it remains unchanged, subject to certain matters to which I shall just refer. May I just refer you first of all, Sir, to what I said before? I think it will be simpler if I may refer to that first, and then to put it into its latest form.

You will see on page 7 in the left-hand column that what I said on the opening day was: "May I just say that the Commission have no intention of increasing sub-standards in the London Area, but they doubt whether, having regard to the terms of the Transport Act, anything in the nature of a formal undertaking is necessary; but that can be considered further at a later stage". Then you, Sir, said: "You gave an undertaking last time, Mr. Willis", and I said: "I did, and it may be that when I have heard what the opponents wish to say I may wish to reconsider it; but as at present advised, I doubt whether anything in the nature of an undertaking is necessary, having indicated the policy of the matter. But may I leave that over until I hear what is said?"

May I now just put into simple language what our present attitude is? It is that we have no present intention of increasing the sub-standards in the London Area

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(and I stress that particular point) provided that the modified proposals are approved—that follows on the way in which I put it last time—and that during the time the confirmed Scheme remains in force there are no abnormal increases of expenditure which the Commission has not taken into account.

(President): Do you mean approved *in toto*, or that if they are altered by any jot or tittle, you will be bound by no expression of opinion?

(Mr. Harold Willis): May I add the words "that the modified proposals are approved substantially in the form in which they have been suggested". They are not our proposals, as you appreciate, in the technical sense; they are merely our suggestions.

(President): That does not convey anything very clearly to my mind; perhaps you would like to think about it again.

(Mr. Harold Willis): You appreciate, of course, Sir, that this reference to the increase of sub-standards does not involve their not being increased at all, but merely their not taking an increase bigger than everything else.

(President): But I still do not understand what the expression of your intentions are in the event of the

Scheme as confirmed differing from the modified proposals which you have prepared at our request. Would you like to think about it still more?

(Mr. Harold Willis): I can say, just for your assistance on that last point which you have been putting, that for example, if the 3d. single stage were introduced, we should certainly have to reconsider the whole position of the sub-standards. I think I cannot add to what I was instructed to put, namely, that it is if the Scheme, or the suggestions, are approved substantially in the form in which we put them forward; I think it is not possible to draw a line as to what would be regarded as a substantial modification and what would not. I think from that the Tribunal could have a reasonable view as to how we would look at this matter.

(President): Yes. I suppose, the political atmosphere remaining what it was in 1952, a general abolition of the sub-standards might have the same consequences which arose then?

(Mr. Harold Willis): That, no doubt, is one of the factors which would operate in our minds, Sir.

(President): Has anyone else any supplementary observations to make? Then we will give our decision here to-morrow at 12 o'clock.

(Adjourned until to-morrow morning at 12 o'clock.)